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ABSTRACT

Presented by the Comptroller General of the U.S. is a 1974 report to the Congress on Federal programs for the handicapped in the areas of special education, vocational education, and vocational rehabilitation. An introductory chapter points out that only 40 percent of an estimated 7 million handicapped children are receiving the education they need, lists areas of responsibility shared by Federal and state governments, and details the extent of Federal involvement in education of the handicapped. Barriers in educating the handicapped discussed include limited availability of educational services, involuntary removal from educational programs, and restrictions (such as age) on access to educational programs. Examined are planning problems such as lack of coordination among Federal programs and agencies, and the lack of integration of Federal programs into state planning. Allocation of funds is seen to suffer from shortcomings in formulas and inadequate guidance to state agencies distributing funds. Assessed are the effects of inadequate program evaluations on program management. It is suggested that the Department of Health, Education, and Welfare implement procedures for systematic planning among organizations responsible for educating and training the handicapped. Other recommendations include the need for systematic collection of data about the handicapped and the need for Congress to eliminate inequities in fund allocation formulas. (LS)

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REPORT TO THE CONGRESS

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Federal Programs For Education Of The Handicapped: Issues And Problems B-164031(1)

Department of Health, Education, and Welfare

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

DEC. 2 DEC. 5,1974

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This report is sent to you because of your indicated interest in the work of the U.S. General Accounting Office.

It is one of many reports sent by the Comptroller General of the United States to the Congress in recent months. Additional copies are available on request for student use.

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WASHINGTON, D.C. 20548

B-164031(1)

To the Speaker of the House of Representatives
and the President pro tempore of the Senate

This is our report on Federal programs for the education of the handicapped. The programs are administered by the Office of Education and the Social and Rehabilitation Service, Department of Health, Education, and Welfare.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Health, Education, and Welfare.

Elmer B. Staats

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
OE	Office of Education
SRS	Social and Rehabilitation Service

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

FEDERAL PROGRAMS FOR EDUCATION OF THE HANDICAPPED: ISSUES AND PROBLEMS
Department of Health, Education, and Welfare
B-164031(1)

D I G E S T

WHY THE REVIEW WAS MADE

Congressional concern over the responsiveness of Federal programs in meeting educational needs of the handicapped led GAO to review the Department of Health, Education, and Welfare's (HEW's) major programs. These included special education, vocational education, and vocational rehabilitation programs.

FINDINGS AND CONCLUSIONS

Basic situation

HEW estimates that more than 2 million handicapped individuals have been afforded education and rehabilitation opportunities in the last 5 years. Despite this growth, approximately 60 percent of the estimated 7 million handicapped children in the United States do not receive appropriate educational services enabling them to have equality of opportunity.

One million are excluded entirely from the public school system, and during the 1971-72 school year only 16 States provided special educational services to more than 50 percent of their estimated school-aged handicapped population.

Vocational education and rehabilitation programs are essential components in providing comprehensive educational services to the handicapped. Educators feel that 75 percent of the physically disabled and 90 percent of the mentally retarded could work if given the proper education and training. Few of the handicapped, however, are employed today and billions of dollars are spent annually to support the dependent handicapped.

Concern for educational needs of the handicapped has resulted in a number of new programs during the past few years.

Although about 90 percent of the cost of educating the handicapped is funded with State and local money, Federal funds increased from a negligible amount in fiscal year 1966 to several hundred million dollars in fiscal year 1973. These programs are administered by at least 14 separate organizational units in HEW.

Barriers

Numerous barriers confront the handicapped, severely hampering and often keeping them from receiving necessary education and training.

Few locations in the Nation provide a full range of educational services comprehensive and flexible enough to meet the needs of all handicapped children. In many instances appropriate educational services are not

provided because the delivery system for special education is fragmented and uncoordinated.

Severe gaps exist in the educational services available. Limited availability of educational programs and restrictive eligibility requirements often keep handicapped individuals from progressing sequentially through a special educational program. Instead of becoming self-sufficient many remain dependent on society.

Although Federal programs have helped the handicapped, they have not effectively assisted in the removal of these barriers. Improving the programs' effectiveness will require increased emphasis on planning, allocation of funds to areas of greatest need and benefit, and program evaluation.

GAO did not review the adequacy of funding for the programs; however, it recognizes that more Federal, State, and/or local funds will probably be needed to serve all handicapped individuals. (See p. 13.)

Planning for services

Establishment of many separate Federal programs for assisting the handicapped intensified the need for coordinated planning among Federal agencies. There has been little systematic effort, however, among agencies to coordinate planning to help insure more comprehensive provision of services.

Programs for special education remain fragmented and scattered across a variety of administrative units, each operating without knowledge of what the others are doing--where they are putting their resources and to what extent specific needs are being met. Similar situations are evident at State and local levels.

Lack of reliable data about the handicapped, such as the types, severity, and location, contributes to planning weaknesses. (See p. 24.)

Allocation of funds

Because Federal funds for educating and training the handicapped are not allocated on the basis of priorities established for meeting the greatest educational needs, program managers lack assurance that

--handicapped children are provided an equal opportunity for educational assistance,

--funds are targeted to program objectives, and

--the impact of Federal programs is maximized.

A large portion of the Federal funds is allocated to States according to fixed formulas containing factors which may actually result in inequities in the opportunities available.

The Education Amendments of 1974 (Public Law 93-380) amended part B of the Education of the Handicapped Act to require that starting with fiscal year 1976, funds be made available to States only after they submit an amendment to the required State plan which shows in detail the policies and procedures which the State will undertake in order to insure the education of all handicapped children and insure that all handicapped children in the State in need of special education are identified and evaluated. The amended State plan must also establish a detailed timetable for providing full educational opportunity for

all handicapped children. Other programs for the education and training of the handicapped discussed in this report do not contain a similar requirement.

States have used various methods and criteria for distributing Federal funds but have made little effort to identify needs as a basis for allocating the funds. As a result, Federal agencies do not have assurance that funds have been targeted to areas of highest need.

Federal funds are intended by the Office of Education for use as a catalyst to initiate and expand special education programs. Although some federally funded projects have been duplicated by State and local agencies, those projects that best produce catalytic effects have not been identified for allocation of funds. (See p. 39.)

Evaluation

Evaluation systems of Federal, State, and local agencies responsible for administering federally supported education programs for the handicapped have not provided information essential for effective program management.

For example, rather than providing information on quality or degree of success, data collected on programs and projects has centered on statistics, such as numbers of children receiving educational services and dollars spent. Little information on program results has been provided.

As a result, Federal, State, and local program managers cannot always

--detect ineffective programs and projects,

--redirect existing programs or plan for more effective programs, or

--synopsize and disseminate results of effective programs and projects to help other educators and administrators. (See p. 52.)

RECOMMENDATIONS

HEW should implement procedures for systematic planning among organizations responsible for educating and training the handicapped.

A comprehensive plan should be developed with each organization's responsibility clearly defined. The plan should provide for

--systematic collection of data about the handicapped (see p. 37),

--development of a system for assisting the States to identify and establish priorities for the full range of comprehensive educational needs of the handicapped (see p. 49),

--establishment of effective program and project monitoring and evaluation systems wherein results are measured against objectives (see p. 59), and

--establishment of procedures to redirect programs on the basis of effectiveness evaluations (see p. 59).

Other recommendations related to these areas are discussed on pages 50 and 59.

AGENCY ACTIONS AND UNRESOLVED ISSUES

HEW concurred with GAO's recommendations and described actions taken or planned to implement them.

Tear Sheet

MATTERS FOR CONSIDERATION BY THE CONGRESS

The Congress should consider

--amending pertinent legislation which earmarks funds for the education of the handicapped in a manner similar to the recent amendments to part B of the Education of the Handicapped Act which require the establishment of detailed plans for undertaking a comprehensive needs assessment in order to receive funds.

--eliminating those formula allocation factors in authorizing legislation which may result in inequities in the opportunities available to the handicapped. (See p. 50.)

- - - -

HEW agreed on the importance of having needs assessments but thought that withholding funds to achieve this would be too harsh a penalty and suggested that the Congress consider building into the law positive incentives for States to adopt such assessments. HEW's comments, however, were made before enactment of the August 1974 revisions to part B of the Education of the Handicapped Act which require that funds be made available to States only after they have established the necessary policies and procedures to make a comprehensive needs assessment.

HEW, on commenting on GAO's recommendation to eliminate those formula allocation factors in the legislation which may result in unequal opportunities available to the handicapped, suggested that modifications of the State allocation formula under the Rehabilitation Act of 1973 should be deferred until the findings of a Rehabilitation Services Administration study on this formula are available. GAO believes that the study data will be useful to the Congress in considering its recommendation.

CHAPTER 1

INTRODUCTION

An estimated 7 million children in the United States have mental, physical, emotional, or learning handicaps that require some special educational services. Only an estimated 40 percent (or 2.8 million) of these children are receiving the education they need. One million are excluded entirely from the public school system, and during the 1971-72 school year only 16 States provided special educational services to more than 50 percent of their estimated school-aged handicapped population.

The Commissioner of Education stated in his fiscal year 1971 annual report to the Congress that money spent in providing equal educational opportunity for the handicapped has proven to be a good investment--not only in terms of providing the handicapped the opportunity for work as human beings but also in meeting various manpower needs in the Nation.

Vocational education and rehabilitation programs are essential components in the provision of comprehensive educational services to the handicapped. Educators feel that 75 percent of the physically disabled and 90 percent of the mentally retarded could work, either in the competitive job market or in a sheltered workshop,1/ if given the proper education and training. However, the Office of Education (OE) estimates that only 23 percent of the handicapped children leaving school will be fully employed, go on to college, or participate in a sheltered workshop. Several billion dollars are spent annually for supporting the handicapped dependent on society.

1/Provides supervised employment, work experience, and/or vocational training for handicapped individuals who are usually too severely handicapped to work in the competitive job market.

One of the few available benefit-cost analyses of the vocational rehabilitation program showed that 170,000 disabled persons were rehabilitated in fiscal year 1967.1/ The analysis estimated increased lifetime earnings at about $4.7 billion, or a return of about $8 for each dollar spent on rehabilitating these individuals. Taxpayers share substantially in these returns through increased taxes paid by the rehabilitants and the reduction in tax-supported payments for their maintenance.

WHO IS RESPONSIBLE FOR EDUCATING THE HANDICAPPED?

The Congress has recognized that all levels of government must develop opportunities for the handicapped and has expressed that the Federal Government shall work jointly with the States and their citizens to develop recommendations and plans of action which will

--provide educational, health, and diagnostic services for all children early in life,

--insure that every handicapped person receives an education appropriate to his needs,

--insure that the handicapped have the special services and assistance they need to live full and productive lives,

--examine changes that technological innovation will make in the problems confronting the handicapped,

--insure that handicapped persons have equal opportunity to engage in gainful employment,

--increase research on all aspects of all types of handicaps,

--insure close attention to and evaluation of all aspects of diagnosis, evaluation, and classification of handicapped individuals, and

---

2/Ronald Conley, "A Benefit-Cost Analysis of the Vocational Rehabilitation Program," The Journal of Human Resources, Spring 1969, p. 226.

--insure review and evaluation of all Federal programs for the handicapped and close examination of the Federal role.

WHAT IS THE FEDERAL INVOLVEMENT?

On several occasions the Congress has expressed concern and interest in insuring that all handicapped persons live as independently and self-reliantly as possible and that complete integration into normal community life, work, and service patterns is held as the final objective.

The Senate Committee on Labor and Public Welfare reported in August 1972 (S. Rept. 92-1080) that the benefits and rights of society are often denied those who are mentally and physically handicapped. The Committee emphasized that equal opportunity, equal access to all aspects of society, and equal rights of the handicapped were critically important to the Nation.

Concern for the educational needs of the physically and mentally handicapped has resulted in considerable activity over the past few years. Although about 90 percent of the cost of educating the handicapped is funded with State and local money, Federal funds increased from a negligible amount in fiscal year 1966 to several hundred million dollars in fiscal year 1973. Little aid is given directly to the handicapped individual; most of it goes through a State agency, or institution of higher learning, or a local educational agency.

The assortment of institutions providing some type of service to the handicapped is so large and complex that it is difficult to describe the system. A 1973 study funded by the Department of Health, Education, and Welfare (HEW) identified over 50 major Federal programs providing some type of service to handicapped youth. Although these programs exist literally everywhere in the Federal Government, most are administered by HEW.

We developed the chart on the following page to show the myriad of education and training programs administered by 14 organizational units in HEW. These organizations administer programs which provide, either directly or indirectly to the handicapped, an educational service, including classroom education, teacher education,

educational research, vocational education, and vocational rehabilitation related to educational counseling and training. HEW programs providing services related to the health and welfare of the handicapped rather than their education and training are not included in the chart.

Educational commitment

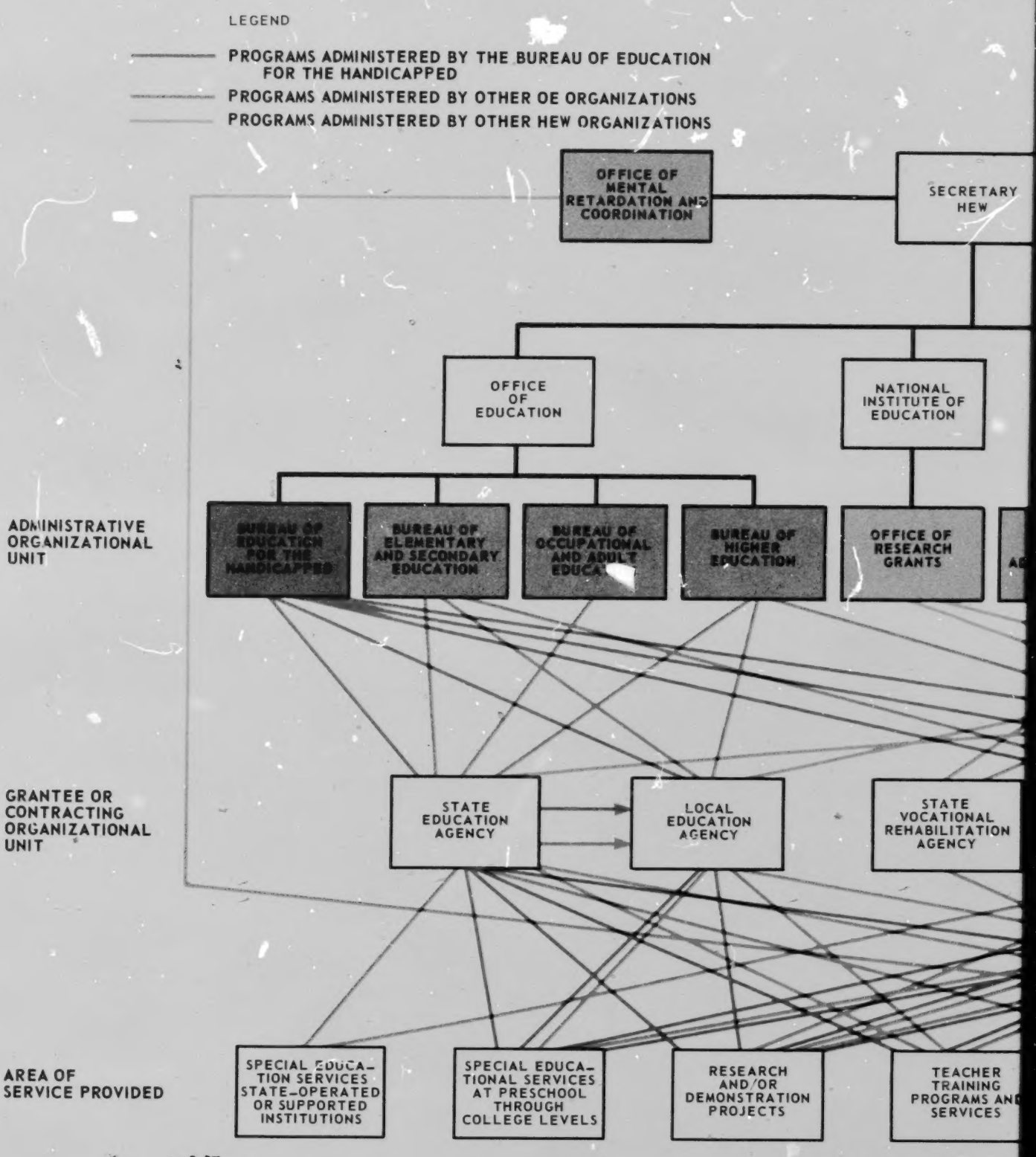
The basic goal of the Federal effort in education for the handicapped is to assist States to provide for equality in public education. To further this goal, the Bureau for Education of the Handicapped has promoted a national commitment to insure that all handicapped children receive special education to enable them to develop their potential and thereby reduce their degree of dependency.

The commitment is not total in the sense of providing complete educational support. Instead, the Federal programs have been designed to act primarily as catalysts to bring about changes in educational patterns by initiating demonstration and model programs and by encouraging new techniques and practices. This approach was developed specifically to use the limited Federal financial resources and manpower to effect significant changes in the quality and effectiveness of much larger and more direct programs being conducted by State and local educational agencies.

HEW administers most of the Federal programs for educating and training the handicapped. The following list identifies several of the major programs in effect during our review.

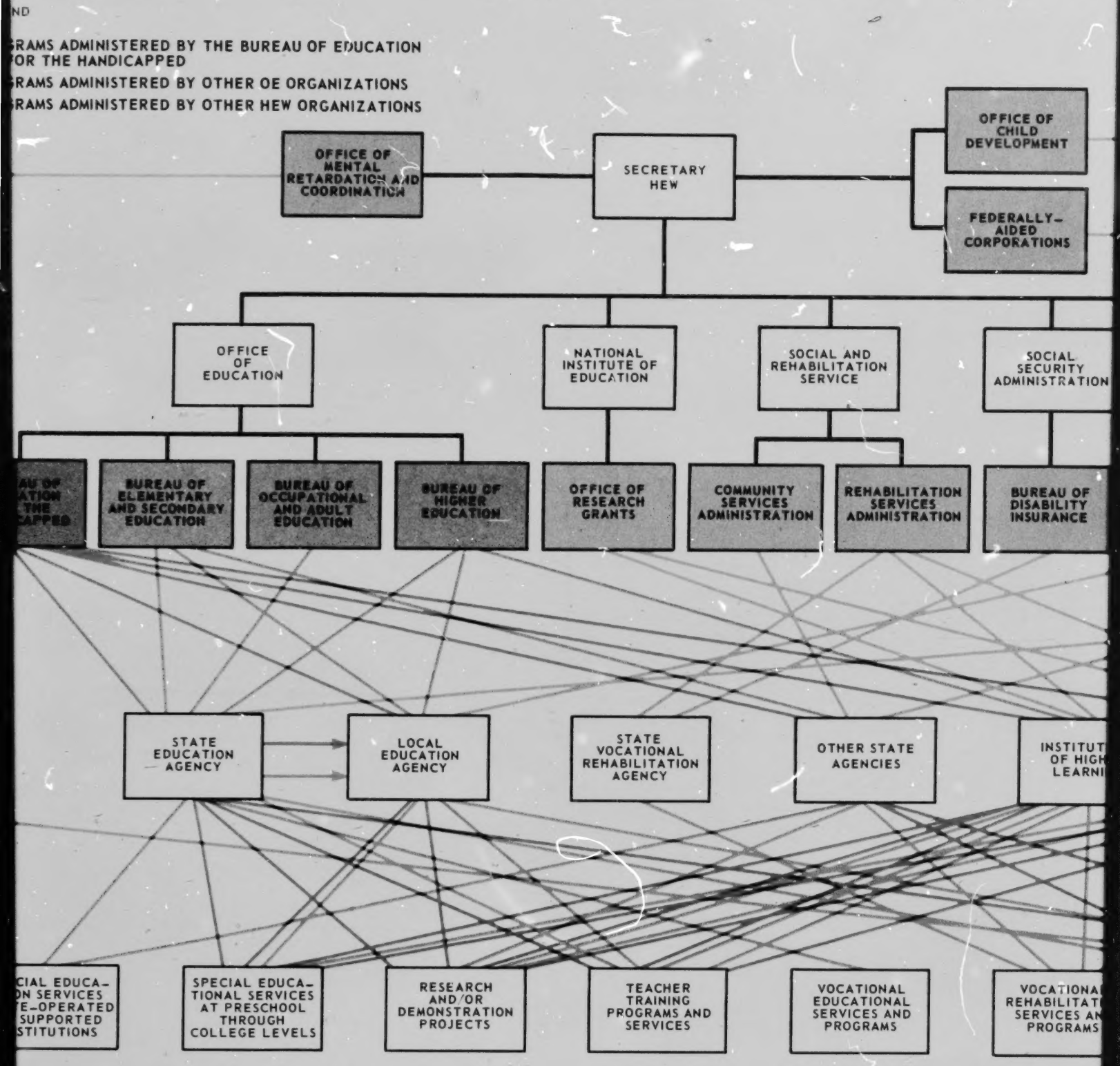
Agency	Program	Purpose
Office of Education: Bureau of Education for the Handicapped	Education of the Handicapped Act (20 U.S.C. 1401): Part B	To strengthen educational and related services for preschool, elementary, and secondary school children.
	Part C	To develop centers for educational diagnosis and remediation of handicapped children; to develop centers and services for deaf-

EDUCATIONAL RELATED PROGRAMS FOR SELECTED AGENCIES


LEGEND
PROGRAMS ADMINISTERED BY THE BUREAU OF EDUCATION FOR THE HANDICAPPED
PROGRAMS ADMINISTERED BY OTHER OE ORGANIZATIONS
PROGRAMS ADMINISTERED BY OTHER HEW ORGANIZATIONS
OFFICE OF MENTAL RETARDATION AND COORDINATION
SECRETARY HEW
OFFICE OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
ADMINISTRATIVE ORGANIZATIONAL UNIT
BUREAU OF EDUCATION FOR THE HANDICAPPED
BUREAU OF ELEMENTARY AND SECONDARY EDUCATION
BUREAU OF OCCUPATIONAL AND ADULT EDUCA
BUREAU OF HIGHER EDUCATION
OFFICE OF RESEARCH GRANTS
GRANTEE OR CONTRACTING ORGANIZATIONAL UNIT
STATE EDUCATION AGENCY
LOCAL EDUCATION AGENCY
STATE VOCATIONAL REHABILITATION AGENCY
AREA OF SERVICE PROVIDED
SPECIAL EDUCATION SERVICES STATE-OPERATED OR SUPPORTED INSTITUTIONS
SPECIAL EDUCATIONAL SERVICES AT PRESCHOOL THROUGH COLLEGE LEVELS
RESEARCH AND/OR DEMONSTRATION PROJECTS
TEACHER TRAINING PROGRAMS AND SERVICES

[a] PROGRAMS WHICH INVOLVE SMALL EXPENDITURES AND WHICH AFFECT FEW HANDICAPPED INDIVIDUALS ARE NOT INCLUDED IN THE CHART.

EDUCATIONAL RELATED PROGRAMS FOR THE HANDICAPPED PROVIDED BY SELECTED AGENCIES WITHIN HEW[a]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RAMS ADMINISTERED BY OTHER OE ORGANIZATIONS
RAMS ADMINISTERED BY OTHER HEW ORGANIZATIONS
OFFICE OF MENTAL RETARDATION AND COORDINATION
SECRETARY HEW
OFFICE OF CHILD DEVELOPMENT
FEDERALLY-AIDED CORPORATIONS
OFFICE OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
SOCIAL AND REHABILITATION SERVICE
SOCIAL SECURITY ADMINISTRATION
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BUREAU OF ELEMENTARY AND SECONDARY EDUCATION
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION
BUREAU OF HIGHER EDUCATION
OFFICE OF RESEARCH GRANTS
COMMUNITY SERVICES ADMINISTRATION
REHABILITATION SERVICES ADMINISTRATION
BUREAU OF DISABILITY INSURANCE
STATE EDUCATION AGENCY
LOCAL EDUCATION AGENCY
STATE VOCATIONAL REHABILITATION AGENCY
OTHER STATE AGENCIES
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RESEARCH AND/OR DEMONSTRATION PROJECTS
TEACHER TRAINING PROGRAMS AND SERVICES
VOCATIONAL EDUCATIONAL SERVICES AND PROGRAMS
VOCATIONAL REHABILITAT SERVICES AN PROGRAMS

PROGRAMS WHICH INVOLVE SMALL EXPENDITURES AND WHICH AFFECT FEW HANDICAPPED INDIVIDUALS ARE NOT INCLUDED IN THE CHART.

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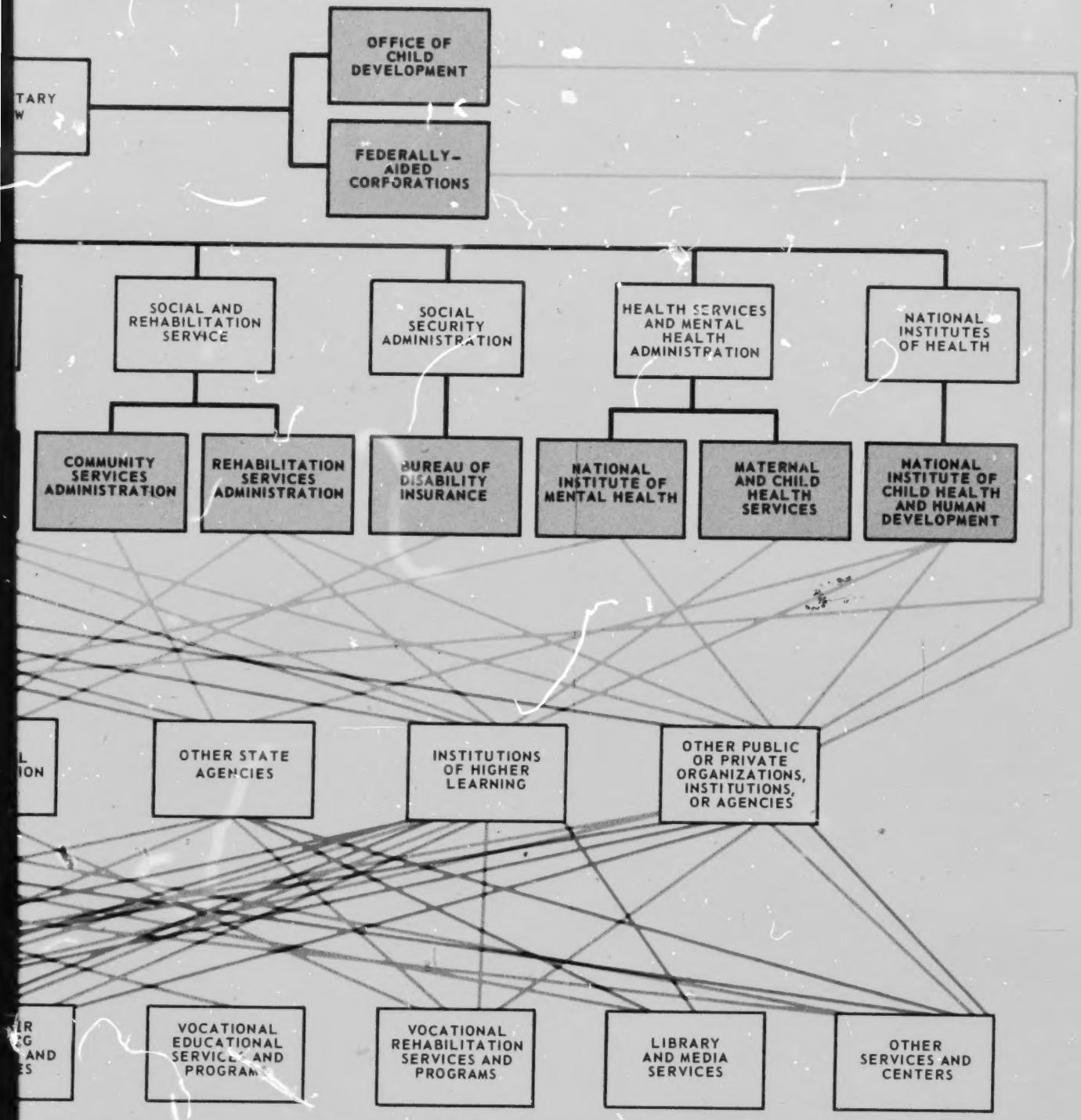

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		blind children and parents; to develop model preschool and early education programs.
	Part D	To recruit and train personnel; to disseminate educational information.
	Part E	To support research and related activities.
	Part F	To support media services and the caption film loan program.
	Part G	To establish and operate model centers for children with specific learning disabilities.
Bureau of Elementary and Secondary Education	Elementary and Secondary Education Act Public Law 89-313, Amendment to title I (20 U.S.C. 241c)	To strengthen educational programs for handicapped children in State-operated and State-supported schools.
	title III (20 U.S.C. 841)	To provide grants for supplementary, innovative, exemplary projects for the handicapped.
Bureau of Occupational and Adult Education	Vocational Education Act of 1963, as amended (20 U.S.C. 1241): Part B	To provide vocational education for the handicapped.
Social and Rehabilitation Service:		

Rehabilitation Services Administration	Vocational Rehabilitation Act (29 U.S.C. 31): Section 2a 1/	To provide rehabilitation to people whose handicap serves as a barrier to employment.

This report deals with the major programs administered by HEW organizations directly responsible for educating and training the handicapped--the Bureau of Education for the Handicapped, the Bureau of Elementary and Secondary Education,2/ the Bureau of Occupational and Adult Education of OE, and the Rehabilitation Services Administration of the Social and Rehabilitation Service (SRS). The programs we reviewed are administered mainly to benefit children and youth although some programs are available for handicapped adults. We did not review all programs for the handicapped or programs that are indirectly related to educating and training the handicapped.

Bureau of Education for the Handicapped

In 1966 the Congress authorized establishment of this Bureau to consolidate all programs of education for the handicapped administered by the Commissioner of Education. This consolidation was made primarily because of congressional dissatisfaction with the prior efforts of OE to serve handicapped children.

The Bureau administers all education, teacher-training, and research programs for handicapped children and youth authorized under the Education of the Handicapped Act. The Bureau also administers a program of aid to State-supported and State-operated schools for the handicapped authorized under title I, Elementary and Secondary Education Act.

1/This program was substantially reenacted by title I, part B of the Rehabilitation Act of 1973 (29 U.S.C. 701).

2/On January 20, 1974, OE reorganized and the Bureau of Elementary and Secondary Education was renamed the Bureau of School Systems.

The major objectives of the Bureau are:

--To insure the enrollment by 1978 of 85 percent of the 1 million preschool-aged handicapped children in Federal, State, and locally funded educational day care programs.

--To insure that every handicapped child is receiving an appropriately designed education by 1980 (85 percent by 1978).

--To insure that by 1977 every handicapped child who leaves school has had career educational training that is relevant to the job market, meaningful to his career aspirations, and realistic to his potential.

--To insure that all handicapped children served in the schools have sufficient trained personnel competent in the skills required to aid each child in reaching his potential.

--To enable the most severely handicapped children and youth to become as independent as possible and thereby reduce their requirements for institutional care and provide an opportunity for self-development.

Bureau of Elementary
and Secondary Education

The Bureau administers title III of the Elementary and Secondary Education Act of 1965. Grants are made to local educational agencies for supplementary educational centers and services. The law provides that not less than 15 percent of the funds be used for handicapped children.

The Bureau also has fiscal responsibility for the program of aid to State-supported and State-operated schools for the handicapped because it is authorized under the Elementary and Secondary Education Act of 1965.

Bureau of Occupational
and Adult Education

One of the objectives of the Vocational Education Amendments of 1968 is to assist States in providing meaningful vocational education to individuals whose handicaps

prevent them from succeeding in regular vocational education programs. Disenchantment with the limited vocational education funds made available to assist the handicapped led the Congress to require that 10 percent of each State's authorized allotment under part B of the act be set aside for programs for the handicapped. OE's Bureau of Occupational and Adult Education administers this assistance provided to the States.

Rehabilitation Services Administration

The Rehabilitation Act of 1973 authorizes assistance to States for use in rehabilitating and preparing the handicapped for gainful employment. The act is administered by the Rehabilitation Services Administration of SRS. Vocational rehabilitation includes such educational services for the handicapped as career counseling and training in elementary and secondary schools, vocational schools, colleges and universities, business schools, and sheltered workshops.

Federal funding for the handicapped

Funding for major Federal programs for educating and training the handicapped totaled about $1.5 billion during fiscal years 1970-73, as follows:

Organization	Fiscal year 1970	1971	1972	1973	Total
	(millions)				
Bureau of Education for the Handicapped	$ 84.6	$107.9	$119.7	$158.9	$ 471.1
Bureau of Elementary and Secondary Education	54.9	65.8	76.5	99.6	296.8
Bureau of Occupational and Adult Education	30.7	32.2	38.4	38.7	140.0
Rehabilitation Services Administration (note a)	110.4	146.9	170.6	177.5	605.4
Total	$280.6	$352.8	$405.2	$474.7	$1,513.3

a/Because the vocational rehabilitation programs' definition of the term "handicapped" differs from that used by OE, the training and education figures shown here include funds for services to some types of handicapped individuals not eligible for services under the OE programs.

WHO ARE THE HANDICAPPED?

An estimated 46 million or more Americans are handicapped according to the Council for Exceptional Children. Public policymakers continually question the incidence of handicapped children so that programs requiring public resources can be planned. There are an estimated 7 million handicapped children in the Nation, although this figure is subject to considerable variation because of poor or nonexistent data as well as varying definitions of the word "handicapped."

Despite the limitations in data gathering, OE estimates that 10 percent of the school-age population is handicapped. This primarily includes children who are mentally retarded; emotionally disturbed; visual, hearing, and speech impaired; or otherwise physically handicapped and require special education and related services.

SCOPE OF REVIEW

Our review was made at HEW headquarters, Washington, D.C., and at State, regional, and local levels of administration for education, vocational education, and rehabilitation programs in Connecticut, Missouri, North Carolina, Oklahoma, and Washington. We examined legislation, regulations, OE and SRS program policies and directives, project applications, reports, and related documents. We also discussed program activities with personnel at these levels and visited a number of education projects for the handicapped.

The five States represented various types of services to educate and train the handicapped. They were chosen after analyzing data concerned with (1) the level of funding for the programs in each of the States, (2) the estimated number and percentages of served and unserved school-aged handicapped individuals, and (3) the number and type of programs in each State.

CHAPTER 2

BARRIERS IN EDUCATING THE HANDICAPPED

HEW estimates that more than 2 million handicapped individuals have been afforded education and rehabilitation opportunities in the last 5 years. Despite this growth, few locations in the Nation provide a full range of educational services to meet the needs of all handicapped children. Although Federal programs have helped the handicapped, numerous barriers still severely hamper and often keep the handicapped from receiving the education and training needed to maximize their social and economic capabilities. Further, the Bureau of Education for the Handicapped estimates that resulting support for handicapped persons who are dependent on society costs the Nation billions annually.

LIMITED AVAILABILITY OF EDUCATIONAL SERVICES

So that the handicapped can maximize their social and economic capabilities, educators believe it is critically important that they receive a full range of educational services to meet their individuals needs. Federal and State officials said that in many instances the handicapped are not provided these opportunities because the delivery system for special education is fragmented and uncoordinated. Severe gaps exist in the continuum of educational services available. Programs for some handicapped individuals are scattered and incomplete, while programs for others do not exist at all. This keeps many handicapped individuals from progressing sequentially through a special education curriculum, and instead of becoming self-sufficient, they remain dependent on society.

Preschool, career education, and vocational rehabilitation programs are elements often lacking from the educational opportunities available to the handicapped. Educational programs are also not available to some handicapped individuals who have been transferred from institutions to nursing homes not offering educational programs.

A State example

Special education classes in one State we visited were not generally available for the handicapped. In this State:

--A majority of the 77 counties did not have school systems offering special education classes for most types of handicaps.

--None of the counties had school systems offering a continuum of special education classes for all types of handicaps.

--Only seven counties offered some type of special education in each of their several school districts and this was sometimes limited to one class for one type of handicap.

--Four counties provided no special education classes for handicapped children.

In addition, even though some counties did not offer appropriate education programs, only a small number of handicapped individuals were transported to other counties which provided such programs.

Only the educable and trainable mentally retarded, the speech impaired, and children with learning disabilities 1/ were offered a semblance of a special education continuum in the State. Even then such opportunities were inadequate. Less than 50 percent of the estimated population up to age 21 in any of these categories are expected to receive special education during fiscal year 1973.

Although the trainable mentally retarded was proportionately one of the best served categories of the handicapped in the State, special education classes for these individuals were not available in 45 of the 77 counties during the 1972-73 school year.

1/ Individuals having psychological disorders that prevent them from learning or functioning in a regular education program.

There was little evidence that preschool opportunities were being extended to these individuals, and vocational education programs for them were virtually nonexistent. Also the State's regulations generally exclude the trainable mentally retarded from vocational rehabilitation.

According to statistics provided by the State to the Bureau of Education for the Handicapped, about 71 percent of the estimated 18,000 children up to age 21 with learning disabilities in the State were not expected to receive any special education during the 1972-73 school year. Although we believe that the special education opportunities for the speech impaired, the trainable mentally retarded, and children with learning disabilities were inadequate, such children still appeared to have much better access to necessary services than most other handicapped children residing in the State. For example, there were approximately 17,000 emotionally disturbed youngsters up to age 21 in the State during the 1972-73 school year, but only 1 percent were expected to receive any special educational services during this period. Only seven counties provided special education classes for the emotionally disturbed, and three of the counties' programs were in institutions. Of the four counties which provided public school classes to these youngsters, only one offered classes beyond the elementary level.

Special education opportunities for the visually impaired, the deaf or hard-of-hearing, and the physically handicapped were also limited, with less than 10 percent expected to receive any special education programs during the 1972-73 school year.

A lack of available comparable data kept us from making direct comparisons of the education programs available among the States we visited. However, on the basis of our review of several HEW-financed studies and our observations during visits to several States, we believe that the gaps identified above are indicative of barriers faced by the handicapped in many States.

Need for preschool programs

Educators and personnel working with handicapped children have recognized the need for early identification of the handicapped. Research and experimental projects have repeatedly demonstrated the value of providing early educational opportunities. The Bureau of Education for the Handicapped established preschool education as one of its national objectives, and the Congress recognized the pressing need in passing legislation promoting early childhood education.

However, a gap still exists in special education available to many preschool handicapped children. In 1971 the Bureau estimated that only about 10 percent of an estimated 1 million preschool-aged handicapped children participated in any preschool program. In 1973 nearly half of the States did not provide any special education to children under 5 years of age and in most of the States we visited there were only a few programs.

Need for career education programs

The Congress has recognized that, for the handicapped to maximize their potential, it is imperative that they be provided career orientation and training early in life. Such training should continue until they enter the world of work because the handicapped generally require much longer to develop occupational skills and competencies than the normal child.

The concept of career education encompasses vocational orientation and training in the elementary grades as well as more specific occupational training during the junior high and secondary levels. It is to be accompanied by adequate postsecondary educational opportunities, job placement, and follow-up services responsive to an individual's abilities.

Despite the Bureau of Education for the Handicapped's priorities to stress career education and the congressional mandate to devote a portion of vocational education funds for programs for the handicapped, few handicapped individuals benefit from career education programs. A 1973 Bureau report observed that the vast majority of public and special schools lacked a coordinated curriculum which provided sequential development of vocational knowledges, skills, and

attitudes for the handicapped. Also few facilities and staff were available to assess student ability to perform successfully in certain occupations or to modify work tasks so that they might be performed by the handicapped. The report concluded that some treatment and education programs were so inadequate that handicapped persons were made more, rather than less, dependent. The Bureau estimated that without career education approximately 37 percent of the 2.5 million handicapped youth leaving school during the period 1973-76 will be unemployed, on welfare, totally dependent, or otherwise idle much of the time.

The Deputy Associate Commissioner of the Bureau said about 95 percent of handicapped children in elementary programs were without prevocational services, and vocational education programs were not being coordinated and administered as an integral part of the total program for the handicapped. Another Bureau official said vocational education was one of the services often left out of the educational continuum for the handicapped.

Need for rehabilitation

State officials told us that lack of available services and qualified counselors have resulted in some handicapped individuals being excluded from the vocational rehabilitation program. At locations we visited program officials told us of shortcomings, such as

--a shortage or lack of facilities providing occupational training or gainful sheltered employment for the severely mentally retarded,

--a lack of sheltered workshops for the deaf multihandicapped,

--the unavailability of rehabilitation counselors trained to work with the deaf,

--inadequate job placement activities, and

--minimal vocational rehabilitation services to institutions.

The availability of these facilities or services are essential to the continued development of some handicapped individuals. For example, a program official told us that without appropriate workshops the deaf multihandicapped normally end up in institutions.

Involuntary removal from education programs

Many handicapped individuals 21 years old or less have been transferred from State-supported educational or training institutions to nursing homes which often do not provide education for their residents. These individuals are cut off from educational opportunities critical to their self-development.

A substantial share of the cost for supporting nursing home residents is borne by the Federal Government through such welfare programs as Medicaid under title XIX of the Social Security Act, whereas State institutions may not qualify for such assistance. Placing the handicapped into nursing homes when they become eligible for Medicaid may relieve the State of some of the cost of caring for them.

One State official said studies have demonstrated that patients possessing certain self-help skills regress significantly when removed from an educational program and placed in a nursing home which does not provide such a program. None of the 260 nursing homes in that State provided educational programs for their residents even though they received many of the patients discharged from the State's facilities for the mentally retarded.

Data on persons released from one State's institutions for the mentally retarded showed that 659, or about one-fifth of the number released, were transferred into nursing homes during 1972. Two of these institutions released over half of the individuals in the age range 6 through 17 to nursing homes in 1972. Another transferred 72 percent of the same age group and over half of the 18- to 21-year-old persons into such facilities.

Another State reported that in fiscal year 1971 over 50 percent of those placed in nursing homes from mentally retarded facilities were 21-years old or less, and in fiscal year 1972 such placements increased to over 60 percent. One

facility placed 63 persons in nursing homes over this 2-year period. In every instance these individuals were 21 years old or less; 54 were under the age of 19.

In another State, officials at an institution for the mentally retarded said several cerebral palsy victims were transferred to nursing homes because of pressure to reduce the institution's population and that some of these individuals were placed as early as age 18. This transfer took place even though they would not receive the educational benefits available in the institution. As a result, some individuals with the capability of eventually functioning in a workshop environment may never achieve that level because the new facility did not offer such a program.

RESTRICTED ACCESS TO EDUCATIONAL PROGRAMS

Although the Congress intends that every handicapped person have an equal opportunity to receive appropriate education, restrictive eligibility requirements related to age, intelligence, and severity of the handicap often serve as barriers to available programs.

Restrictive age requirements

Chronological age, rather than mental age or capability, often governs whether handicapped persons are eligible for a special educational program. As a result they may be excluded from programs when such programs could be helpful in reducing their disabilities or helping them to maximize their potential.

The Education of the Handicapped Act authorizes programs for handicapped children. The Bureau of Education for the Handicapped has determined that a handicapped person over age 20 may participate in its programs only if the person wishes to enter a class not filled by younger persons. Where authorized by law, such as in the vocational education program and the media services for the deaf program, education services for adults are available. However, a Bureau official said these services are not comprehensive.

Because Federal programs are geared to chronological age, handicapped individuals with low mentalities may not reach their potential. Educators told us that the mental

age of some handicapped individuals does not directly relate to their chronological age. For example, a retarded individual age 21 may have the mental capability of a 6-year old but with appropriate training may advance to the level of a 12-year old. Some of these individuals might be able to participate in a sheltered workshop if not in the competitive job market. Termination of educational opportunities for the handicapped at age 21 may keep them from reaching their potential and from achieving maximum independence.

Eligibility criteria set forth in the law and administered by Federal and State agencies have restricted some handicapped individuals from participating in vocational rehabilitation programs. Rehabilitation Services Administration officials told us that individuals under a State's legal employment age usually are not accepted for assistance even though vocational rehabilitation is essential for some of them. As a result, some handicapped youth denied vocational education in the public schools because of the severity of their handicaps are also denied rehabilitation because they are too young. Although they might be accepted for assistance upon reaching age 16, the denial of services when they are needed forces these individuals to lose valuable time and to fall further behind in their development.

Officials in some States we visited told us that the minimum age for vocational rehabilitation was generally 16 because of State labor laws. Data showing the ages of about 20,000 persons referred for vocational rehabilitation in four Western States showed that only four-tenths of 1 percent were under 15 years of age.

Officials in one State told us that most of the handicapped served in vocational education programs were adults and only a few programs were offered to handicapped students below the ninth grade. Because regular programs were generally directed toward individuals at the secondary and postsecondary levels, young children or the more severely handicapped who were unable to pursue activities at such a level were not assisted.

A State vocational education advisory council official told us that handicapped children needed to be involved in prevocational or vocational training as early as possible

and a minimum age requirement of 15 was much too high. The arbitrary age requirements kept individuals from receiving the training they needed at a much earlier age.

Restrictive intelligence requirements

Intelligence measurement also excluded certain handicapped individuals from education and training programs. Officials in one State told us that vocational education programs for the handicapped were directed primarily at those individuals who would eventually be capable of obtaining competitive gainful employment after completion of the program. Minimum intelligence requirements generally kept the trainable mentally retarded from participation. Though some of these individuals could not be expected to obtain employment in the competitive job market, many could participate in a sheltered workshop if given the proper training.

Certain types of handicapped individuals could not participate in rehabilitation programs because of intelligence requirements imposed by State agencies. For example, one State's guidelines for evaluating the limitations and rehabilitation potential of certain disability groups generally restricted individuals with intelligence quotients of less than 50 or greater than 78 from receiving rehabilitation.

Restrictions on the severely handicapped

In 1968 the National Citizens Advisory Committee on Vocational Rehabilitation recommended increased emphasis on special services for the severely handicapped as well as increased efforts to employ them. Despite the recommendations of the Committee, the more severely handicapped were still generally excluded from program participation. This was due, in part, to restrictive priorities and eligibility requirements imposed by Federal and State agencies administering the vocational rehabilitation program.

According to the Bureau of Education for the Handicapped, educators believe that 75 percent of the physically disabled and 90 percent of the mentally retarded could work, either in the competitive job market or in a sheltered environment, if given the proper education and training. The Senate Committee on Labor and Public Welfare reported in

1972 that less than 4 percent of the 22 million physically handicapped were employed. In fiscal year 1973 the Bureau estimated that only 33 percent of the adult blind were employed, no more than 25 percent of the 400,000 epileptics, and only a few of the 200,000 with cerebral palsy. As a result, billions of dollars are spent to support the dependent handicapped.

Although many handicapped individuals are eligible for vocational rehabilitation, most emphasis is placed on serving those with the potential to obtain competitive employment. Frequently, program services are not extended to those handicapped individuals who may function only in a sheltered work situation.

A 1973 HEW-financed study reported that the Federal rehabilitation role does not include services to the physically or mentally handicapped who have very low vocational success potential. Federal, State, and local officials generally confirmed that rehabilitation services were often not extended to the more seriously handicapped. Limited program funds and lack of available services contribute to the exclusion of such individuals from participating in the vocational rehabilitation program. We commented in a prior report 1/ that some persons receiving services might not be those who need the program most and that expenditures for persons with limited needs reduces the funds available for services to persons who might have greater needs.

According to the same 1973 HEW-financed study, the practice of "creaming" emphasizes the acceptance of less severely vocationally handicapped persons and those needing the least costly services. A Rehabilitation Services Administration regional official told us that this practice was common and in his opinion proper because the vocational rehabilitation program is obligated to serve those able to get back to work.

Other restrictions

Additional requirements and conditions which officials of the Bureau of Education for the Handicapped and/or the Council for Exceptional Children believe are restrictive to handicapped children include:

1/"Effectiveness of Vocational Rehabilitation in Helping the Handicapped," B-164031(3), Apr. 3, 1973.

--Some States require toilet-training as a prerequisite to entrance into a special program, thereby eliminating many preschoolers and mentally retarded children.

--Lack of acceptance of the handicapped by school personnel often preclude the participation of certain handicapped children, such as the emotionally disturbed.

--Strict certification requirements for teachers of the handicapped deprive many children who could benefit from the services of appropriately supervised paraprofessionals or noncertified instructors.

CONCLUSIONS

Few locations in the Nation provide a full range of educational services to meet the needs of all handicapped children. In many instances the handicapped are not provided appropriate education because the delivery system for special education is fragmented and uncoordinated. Severe gaps exist in the continuum of services available. Limited availability of educational programs and restrictive eligibility requirements often keep handicapped individuals from progressing sequentially through a special education continuum, and instead of becoming self-sufficient many remain dependent on society.

The seriousness of the barriers facing the handicapped in obtaining suitable education makes it essential that (1) comprehensive, coordinated planning be done for assisting the handicapped, (2) funds be allocated in accordance with major identified needs, and (3) programs be adequately evaluated to determine their effectiveness. The following chapters discuss our observations and recommendations on planning programs, allocating funds, and evaluating the results of programs.

We believe our recommendations will help improve the effectiveness of programs for the education and training of the handicapped. We realize, however, that more Federal, State, and/or local funds will probably be needed to serve all handicapped individuals. We did not review the adequacy of funding for the programs and therefore have no conclusions in this regard.

CHAPTER 3

PLANNING FOR EDUCATIONAL SERVICES

Federal programs for education of the handicapped have not grown within the framework of a comprehensive plan and the lack of adequate planning has seriously impaired their effectiveness.

Studies have indicated that the system for providing services to the Nation's handicapped is fragmented, uncoordinated, and not particularly responsive to an individual's total needs. Because so many agencies dispense funds and provide services, no individual or group plans, monitors, or controls the system comprehensively.

In our opinion, the Federal agencies have not adequately coordinated their programs to facilitate a continuum of services available to meet individualized needs and to maximize efforts to insure that the handicapped have the education necessary to make them more capable of self-sufficiency. Policymaking, funding, and operating decisions are often made for similar program purposes by different groups of people, based on a lack of data about program effectiveness. As a result, program effectiveness has been seriously compromised and it does not appear that OE's goal--to provide equal educational opportunity for all handicapped children in cooperation with State and local educational agencies by 1980--will be realized.

LACK OF WELL-DEFINED, COORDINATED PLANNING

Although Federal legislation has called for coordination and cooperation among all programs and agencies working with handicapped children, there is little systematic effort among Federal agencies to coordinate planning to help insure more comprehensive provision of services.

In 1966 studies by the Senate Committee on Labor and Public Welfare and organizations having a special interest in educating handicapped children found that programs which could provide special education were ineffective, fragmented, and scattered across a number of administrative units within OE. As a result, the Congress authorized the establishment of the Bureau of Education for the Handicapped

to insure that Federal funds would be used effectively and properly.

Since 1966 the Congress has expanded Federal involvement by authorizing additional programs, including special programs for the deaf and blind, regional resource centers, special preschool programs, and a National Media Center for the Handicapped. In addition, some programs designed for children have a portion of their funds earmarked for the handicapped. Portions of the funds made available under title III of the Elementary and Secondary Education Act and the Vocational Education Amendments of 1968 are earmarked for the handicapped. The Economic Opportunity Amendments of 1972 mandate that a percentage of the Head Start program enrollments be composed of handicapped children.

Our appraisal of the administration and flow of selected Federal funds for education of the handicapped indicated that many of the problems reported in 1966 still existed. Programs were not coordinated and were often fragmented and dispersed across a number of administrative units. In our opinion HEW should have better coordinated the actitities of the various agencies involved in educating the handicapped.

According to the Bureau of Education for the Handicapped's proposed technical assistance plan for fiscal year 1973, Federal dollars were not being used as effectively as possible and administrative problems in many States were so serious that they interfered with programs and services for handicapped children. The plan pointed out:

> "The planning capability in special education within many of the States has typically been very weak, restricted, and unsystematic; and there has been very little coordinated planning--either within or between pertinent State and local education agencies. Thus, each of the OE funding authorities is often administered in isolation, with very little articulation between an individual OE program and the State's own objectives, and with little or no coordination among the various Federal programs. These problems have manifested themselves in the projected activities documents and in the project applications, as well as in contacts with individual States."

Inadequate coordination at the national, State, and local level

The Bureau of Education for the Handicapped is the principal organization in OE for administering education and training programs for the handicapped, although controlling only a relatively small portion of the funds available for such purposes. Some progress has been made toward coordinating planning among other concerned Federal agencies, but this effort has not been extensive. On the basis of our discussions with Federal officials, it appears each agency often operates without knowledge of what other agencies are doing--where they are putting their resources and to what extent specific needs are being met.

Our previous report on the "Effectiveness of Vocational Rehabilitation in Helping the Handicapped" commented that some of the services provided under the vocational rehabilitation program were available under other Federal programs. Therefore it was probably not necessary to meet the needs of the total universe through resources available only to the Rehabilitation Services Administration. In a January 1973 report, the Secretary of HEW stated that, in planning and programing, the Department's perspective must be comprehensive and integration must replace fragmentation.

Although there has been some joint funding of projects by agencies within HEW, little, if any, comprehensive planning has been done to provide the handicapped with the necessary continuum of services and end-oriented education. We found little evidence that Federal agencies had attempted to jointly determine the unmet educational needs of the handicapped and each agency's responsibility for meeting their needs. Further, the national advisory committees for various programs for the handicapped were not coordinating their efforts to provide more comprehensive direction. We believe that the lack of such coordination has contributed to duplication of effort and conflicts among agencies regarding jurisdiction for meeting specific educational needs.

A 1973 HEW-financed report stated that interrelations among agencies at the management level were often

perfunctory and that the responsibilities of the agencies overlapped considerably.

Although education projects supported under title III of the Elementary and Secondary Education Act and part B of the Education of the Handicapped Act are similar in that they are both directed toward developing innovative projects, they are administered separately. The Bureau of Education for the Handicapped is not directly responsible for monitoring the funds set aside for (1) the handicapped under the Vocational Education Act and (2) title III of the Elementary and Secondary Education Act, but two individuals are assigned to monitor these funds on a part-time basis. Both monitors said they could not effectively monitor these programs on a part-time basis.

State educational agencies often have only limited contact with personnel in other agencies of the State which provide supportive services either directly or indirectly to handicapped children. A 1974 study financed by OE concluded that coordinated programs for handicapped children neither existed nor were planned in any of the 49 States included in the study. The study pointed out that some services were duplicated among agencies and that other services were not available from any agency. It also stated that special education personnel had limited contact with State vocational education staffs and that they had little influence, if any, in developing programs for career training of handicapped children.

Programs administered by many organizational units

The need for coordinated planning is intensified because the numerous programs for the handicapped are administered by different offices and agencies at the Federal, State, and local level. These programs are adminstered by at least 14 separate organizational units in HEW alone and several thousand State and local entities. Most of the 50 major Federal programs which deal with the needs of the handicapped identified by a 1973 HEW-financed study are administered by HEW.

In 1972 the Senate Appropriations Committee expressed concern that there might be serious overlap and duplication among the myriad of HEW programs serving the handicapped. The Committee said:

> "* * * There is a critical need for these programs to be evaulated in terms of the total effort to serve the handicapped to determine where duplication exists."

The Committee felt that HEW should coordinate these programs so that Federal funds would be used to reach more handicapped persons rather than to provide the same services through several different programs. Yet, there is no HEW agency responsible for coordinating programs for the handicapped.

Many of the Federal and State programs for handicapped youth were not the major responsiblity of any one agency. Further, providing services to the handicapped often was not a formal organized part of an agency's program. A 1973 HEW-financed study observed that the lack of direct responsibility might make it difficult for the handicapped to obtain needed services.

Coordinated planning is also essential because agencies with primary responsibilities for providing services to the handicapped do not have control over the flow of all funds for the services. Although the Bureau of Education for the Handicapped is the principal unit in OE for administering programs for educating the handicapped, only about half of the Federal funds for these programs flow through the Bureau.

Federal programs not integrated into State planning

Under existing procedures States have an important and influential role in administering various Federal programs. OE's administrative manual states that the State educational agency will:

> "Assume the responsibility for coordination of all other Federal, State, and local programs providing educational services for handicapped children within the State."

Certain Federal program funds for educating the handicapped do not flow through the State but flow directly from Federal agencies to local agencies and institutions and therefore are not necessarily integrated into the overall State planning. As shown in the chart on the following page, various program funds bypass the State and flow directly to the local level.

There were about 17,000 operating school districts in the Nation during school year 1972-73 making coordination difficult, if not impossible. State educational agency officials told us that in some instances (1) the State educational agencies were not aware of specific programs funded out of OE headquarters, (2) the State educational agencies were not requested to comment or signoff on proposed programs or had no input with respect to the type of projects to be funded, and (3) projects funded either did not meet the State's highest need or duplicated services already available. Bureau of Education for the Handicapped officials told us that these instances may reflect States following past operating procedures or misunderstanding of current procedures. New Bureau requirements for its discretionary training funds specify that States either develop projects cooperatively or receive information about them.

State organizational patterns aggravate coordination problems

Generally no formal structure for effectively coordinating all programs for the handicapped existed in the States we visited. Various organizational patterns existed but in no instances were all the programs for the handicapped administered by the same unit. Federal education programs administered by the States were handled by four or five different divisions or organizational units. In most cases a lack of coordination existed among program elements.

A 1973 HEW study showed that, in some instances, coordination of programs for the handicapped was practically nonexistent. Several State administrators commented that they never had any impact on the decisions relating to other organizations' projects although they signed the project

coordination sheet when it was required by Federal regulations.

In view of the large number of educating bodies, the need for program coordination at the State level is evident. In fiscal year 1972, 136 State agencies served about 2,700 schools eligible to receive Federal funds for handicapped children in State institutions. We identified only four States where one agency received the entire State allotment. In some States only a few State agencies received funds but numerous schools under these agencies were involved; in other States several State agencies received funds but only a few schools were involved.

In some States we visited, the State educational agencies merely channeled Federal funds for institutionalized children to eligible agencies and did not coordinate planning for resource allocations and program evaluations. In most instances the State educational agencies received the smallest amount of the funds distributed and believed they had no responsibility for planning or evaluating other State agency programs.

In one State, the Director of Special Education told us that the State educational agency was responsible for getting money out to the institutions, and was not responsible for determining if program plans for the education of institutionalized children were based on adequately identified needs. One State coordinator for the program for institutionalized children told us that his role was a bookkeeper operation in which he merely passed money on to institutions. Bureau of Education for the Handicapped officials said that attempts to foster coordinated planning among State agencies had met with limited success because of their operating differences.

Planning not effectively integrated

The Congress provided that the Bureau of Education for the Handicapped encourage States to develop comprehensive plans for coordinating State, local, and Federal funding into a unified plan for educating handicapped children. The Bureau's technical assistance program attempted to bring about more effective, coordinated use of various funding resources. The main focus of this effort was to help States develop improved projected activities documents. The Bureau

METHOD OF DISTRIBUTION OF SELECTED FEDERA
FOR EDUCATION OF THE HANDICA

FEDERAL PROGRAM ACTIVITY

OFFICE OF EDUCATION

BUREAU OF ELEMENTARY AND SECONDARY EDUCATION
PROGRAMS AUTHORIZED BY PUBLIC LAW 89-10 AS AMENDED

1 PROVIDE SERVICES FOR EDUCATIONALLY DEPRIVED CHILDREN (TITLE I)

2 STRENGTHEN EDUCATIONAL PROGRAMS FOR CHILDREN IN STATE-SUPPORTED SCHOOLS (PUBLIC LAW 89-313 AMENDMENT TO TITLE I)

3 PROVIDE GRANTS FOR SUPPLEMENTARY, INNOVATIVE, OR EXEMPLARY PROJECTS (TITLEIII)

BUREAU OF EDUCATION FOR THE HANDICAPPED
PROGRAMS AUTHORIZED BY PUBLIC LAW 91-230, TITLE VI

4 STRENGTHEN EDUCATIONAL AND RELATED SERVICES FOR PRESCHOOL, ELEMENTARY, AND SECONDARY CHILDREN (PART B)

5 DEVELOP CENTERS AND SERVICES FOR DEAF-BLIND CHILDREN AND PARENTS (PART C)

6 RECRUIT AND TRAIN PERSONNEL; DISSEMINATE EDUCATIONAL INFORMATION (PART D)

7 SUPPORT RESEARCH AND RELATED ACTIVITIES (PART E)

8 SUPPORT MEDIA SERVICES AND THE CAPTION FILM LOAN PROGRAM (PART F)

9 ESTABLISH AND OPERATE MODEL CENTERS FOR CHILDREN WITH SPECIFIC LEARNING DISABILITIES (PART G)

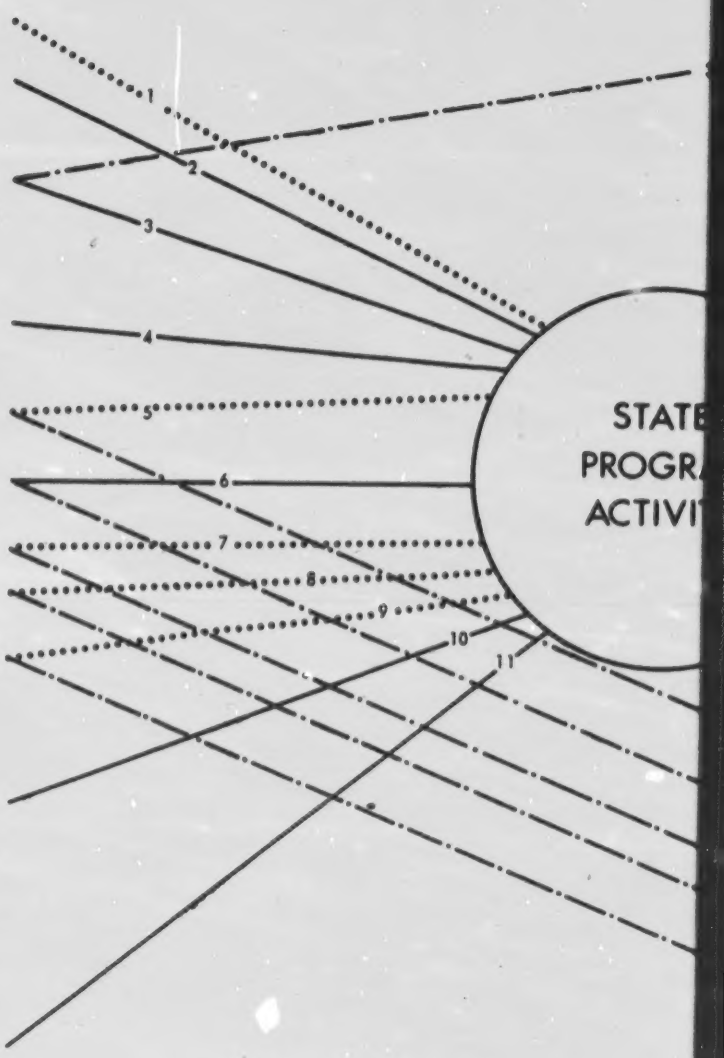
BUREAU OF OCCUPATIONAL AND ADULT EDUCATION
PROGRAM AUTHORIZED BY PUBLIC LAW 90-576

10 PROVIDE VOCATIONAL EDUCATIONAL SERVICES FOR THE HANDICAPPED (PART B)

SOCIAL AND REHABILITATION SERVICE

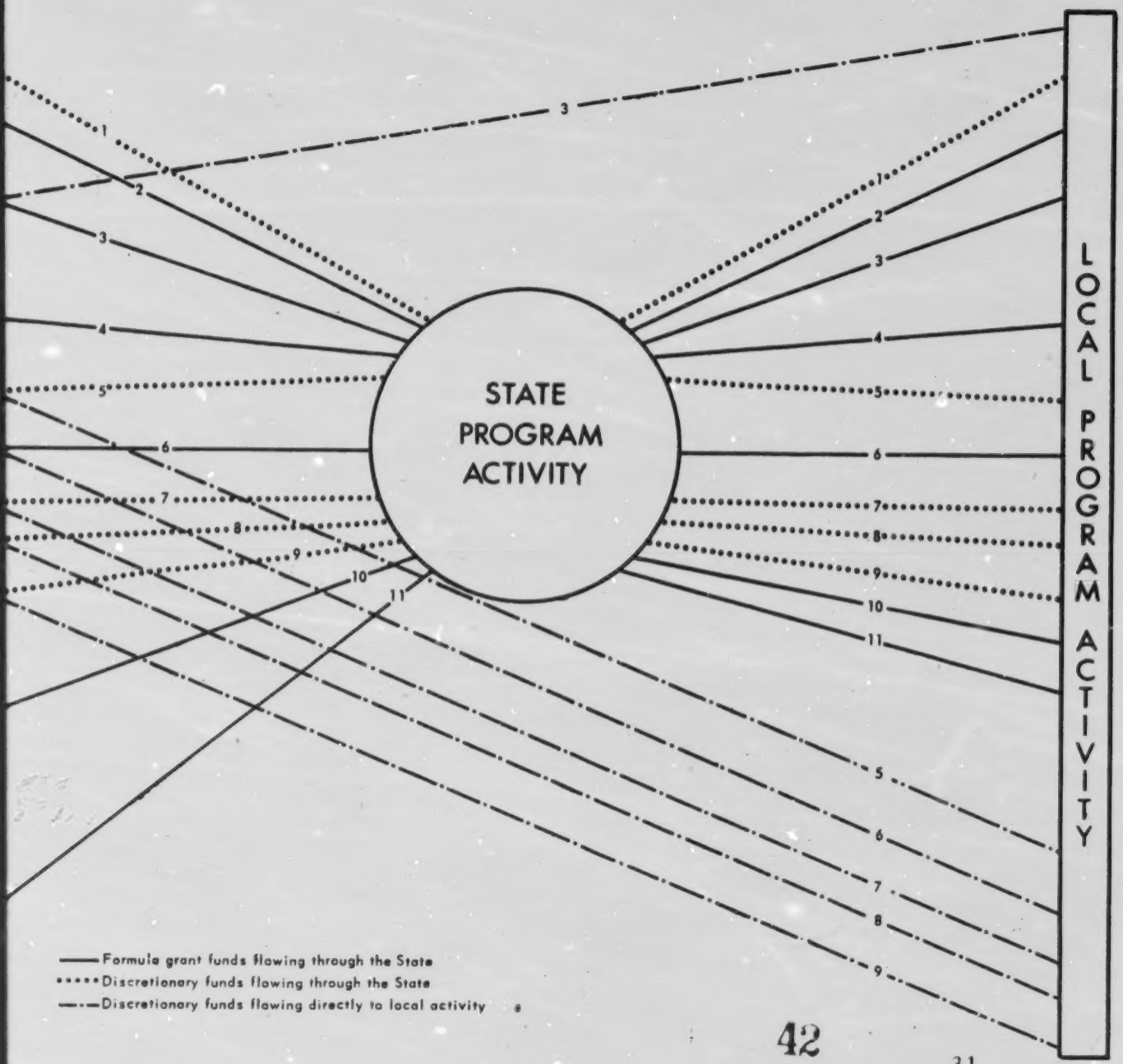
REHABILITATION SERVICES ADMINISTRATION
PROGRAM AUTHORIZED BY PUBLIC LAW 93-112

11 PROVIDE REHABILITATING SERVICES TO PEOPLE WHOSE HANDICAP SERVES AS A BARRIER TO EMPLOYMENT



——Formula grant funds flowing through the State
•••••Discretionary funds flowing through the State
—·—Discretionary funds flowing directly to local activity

THOD OF DISTRIBUTION OF SELECTED FEDERAL PROGRAM FUNDS FOR EDUCATION OF THE HANDICAPPED



considered these documents to be the basic program-planning instruments designed to tie in and show the relationship among the various OE programs for the handicapped and each State's special education programs.

The Bureau recognizes that some technical assistance efforts to improve State planning have not succeeded. It reported in 1973 that some States reverted to former practices, such as separate plans for some Federal programs or none at all when there was no followup.

The Bureau requires that each organization in a State receiving Federal funds help prepare the projected activities document to induce mutual coordination of objectives and activities. State administrators of Federal programs for the handicapped under the Education of the Handicapped Act, the Vocational Education Act, and the Elementary and Secondary Education Act are required to sign the document. Bureau officials said that in some States the document had facilitated coordinated planning.

Several State officials told us that the projected activities document was not used as a valid planning document and that it was of little use to them. In some States we visited the document had been prepared by one official or in one program unit and did not involve other units. Some State officials told us that they merely signed the document to secure program funds and that the document did not necessarily reflect those activities that would be funded.

States are not bound to fund projects according to intentions spelled out in the document, and in many cases, they had not submitted required end-of-the-year project reports to give the Bureau some indication as to how they were spending their allocations. Consequently, the Bureau did not know whether funds were spent to fulfill its objectives and to meet the needs of the State as shown in the document. In several instances (1) the document did not identify those activities which had been funded and (2) only a limited relationship appeared to exist between what was planned and what was funded.

States are also required to prepare plans for other programs, such as vocational education, but programs for the handicapped had not been integrated into these other

planning efforts. Instead each State agency responsible for a program generally prepared its plans in isolation of other agency efforts and the overall State planning effort remained fragmented.

INFORMATION ABOUT THE HANDICAPPED NOT COMPREHENSIVE

In August 1972 the Senate Committee on Labor and Public Welfare concluded that information about handicapped individuals, the services they receive, and the seriousness of their disabilty was totally inadequate. The Committee also noted that without adequate information it was difficult to formulate public policy and to know if current programs were working effectively.

No one Federal agency is responsible for collecting all data on the handicapped. State agencies administering the Federal programs generally gather only that information required by the Federal agencies--generally only quantitative information, such as numbers and types of handicapped individuals served, activities funded, and costs. Reports submitted to satisfy Federal requirements generally do not contain information on severity and type of handicap and individuals being served, types of services, locations of the handicapped, or program results.

The States we visited did not have, and Federal guidelines do not require, uniform or systematic means for collecting data. Thus, under each program different types of data were collected and it was not used to coordinate program resources to maximize the impact of Federal funds.

A 1973 HEW-financed study stated that cost data was generally not available to show differences in various delivery systems for educating particular types of handicapped individuals. Yet, one of the recurring questions in Federal legislation has been "What is the excess cost of educating the handicapped child?"

State reports submitted to OE on the program for the institutionalized handicapped and the programs authorized under the Education of the Handicapped Act basically show the numbers and types of handicapped individuals served and the statewide cost of the program. Annually reports submitted to OE by the States on the vocational education

program also show the number of the handicapped participating and expenditures. These figures are not broken down by type of handicap. Enrollments are broken down by type of vocational education program, such as health or agriculture. State officials could not readily give us information on the types being served under the vocational education programs at any particular time.

A 1973 HEW-financed study indicated that the quality of the vocational rehabilitation data is better than that available for any other Federal program serving handicapped youth. Vocational rehabilitation reports from States primarily show number of clients served and rehabilitated, expenditures, and type of rehabilitation. However, these reports did not show the severity of the handicaps and the types of educational services most effective.

SOME FUNDS FOR STATE ADMINISTRATION AND PLANNING MISUSED

The effectiveness of Federal costs for education of the handicapped has been hampered by the lack of adequate planning at the State level even though the Congress has authorized specific funding for administration and planning of programs. In some instances States have not used the funds provided for planning programs but rather for administration of other State educational agency programs. As a result, programs for the handicapped often have not received an adequate share of the administrative planning funds provided to the States.

Some State educational agency officials told us that they are reluctant to spend funds for administration and planning because every dollar spent comes out of funds that would otherwise be available for services. In other instances, the agencies earmark the funds for administration but do not use them for program planning.

In the States visited, State agencies used only a limited amount of available funds for program planning. In one State, administrative funds provided under part B of the Education of the Handicapped Act were used to support administrative costs not specifically associated with the act, such as salaries of State educational agency personnel whose primary responsibility was certifying State requirements with respect to teacher-pupil ratios in classes

throughout the State. State personnel told us that they did not have specific responsibility for planning, reviewing, or evaluating federally funded projects.

Part B of the Education of the Handicapped Act, in effect during our review, authorized a payment to a State to defray its program administration and planning costs of $100,000 or 5 percent of the total grant to the State, whichever is greater. Some funds made available for this purpose were not spent. In one State approximately 40 percent of the $100,000 made available for fiscal year 1973 was not used and a similar situation existed for fiscal year 1972. Although the State program coordinator told us that the State did not need $100,000 to administer the program, we believe the remaining funds could have been effectively spent on additional planning to improve the impact of the State's program. Bureau of Education for the Handicapped officials told us that some States, that have a relatively small federally funded program, might not spend the entire amount allowed for administration and planning. They also said a 1974 OE-financed study identified a number of productive uses made by States of such funds.

CONCLUSIONS

The establishment of a number of separate Federal programs for helping to educate the handicapped intensified the need for coordinated planning among the Federal agencies. However, there has been little systematic effort on the part of agencies to coordinate planning to help insure comprehensive provision of services. Programs for special education remain fragmented and scattered across various administrative units, each operating without knowledge of what the others are doing--where they are putting their resources and to what extent specific needs are being met. Similar situations are evident at State and local levels:

- Federal education programs were administered by several organizational units in each State we visited but were not effectively coordinated.

- Responsible State organizational units did not adequately coordinate and integrate programs to provide a continuum of educational services.

--Federal funds available for administration and planning were not always used for these purposes.

Effective planning for special education programs requires comprehensive information about the handicapped. Planning has been weakened by a lack of reliable data on the handicapped, such as types, severity, location, and cost of providing education. Policymaking, funding, and operating decisions are often made for similar program purposes by different groups, based in each case on a lack of data about program effectiveness.

RECOMMENDATIONS TO THE SECRETARY OF HEW

The Secretary should implement procedures for systematic planning among the organizations responsible for educating and training the handicapped. A comprehensive plan for educating and training them should be developed and the responsibility for carrying out each element of the plan should be clearly defined.

To facilitate planning, HEW should provide for a uniform and systematic means for collecting data about the handicapped, including (1) numbers of handicapped by type, location, and severity, (2) types of services, and (3) program results.

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HEW commented on matters discussed in this report by letter dated August 15, 1974. (See app. I.) It concurred with our recommendations and said that a new Office for the Handicapped has been created within HEW to deal more effectively with the special needs of the Nation's handicapped citizens. This office will

--prepare a long-range projection for providing comprehensive services to the handicapped,

--continually analyze the operations of programs and evaluate their effectiveness,

--encourage coordination and cooperative planning among programs serving the handicapped,

--develop ways to promote the use of research, and

--provide for a central clearinghouse for information and resources available to handicapped people.

HEW also said that the new office will develop a plan by March 1975 which will address the problem of uniform data collection. Data collection efforts are being conducted by the Bureau of Education for the Handicapped, the National Center for Educational Statistics, and the Office of the Assistant Secretary for Planning and Evaluation.

CHAPTER 4

ALLOCATION OF FUNDS FOR THE HANDICAPPED

Because Federal education and training funds for the handicapped have not been allocated on the basis of priorities established for meeting the greatest educational needs, program managers lack assurance that

--handicapped children are provided an equal opportunity for assistance,

--funds are targeted to program objectives, and

--the impact of Federal programs is maximized.

FEDERAL AGENCIES' ALLOCATION OF PROGRAM FUNDS

About 80 percent of Federal education and training funds for the handicapped is allocated to States according to formulas specified in the authorizing legislation. The formulas generally specify that program grants be made to States according to such factors as population, per capita income, average daily pupil attendance, and average per pupil costs. Although the Federal agencies have in some instances established priorities for national objectives, States may spend the funds according to their preference with only general guidance from Federal agencies on where funds should be targeted.

Federal education legislation also provides for certain discretionary programs to be administered directly by OE with or without State involvement. OE has used various methods to allocate these program funds to State and local educational agencies, universities, and other organizations. The funds are used for such purposes as conducting research, training educators, and establishing demonstration projects. Although OE has reported a number of successful results from these funds, the allocation methods used sometimes resulted in program funds being allocated without adequate knowledge of the specific needs involved. Allocations generally have favored those States or local areas that already had programs, rather than the States or areas attempting to initiate them.

Effective allocation at the Federal and State levels has been hampered because OE has not identified what types of projects are most successful in maximizing the impact of the funds.

Shortcomings of formulas

Although the formulas set forth in the authorizing legislation were intended to achieve an equitable distribution of funds, several characteristics in the formulas may result in inequities in the opportunities available for the handicapped rather than eliminate them. The various formula requirements are summarized below:

Program	Formula
Education of the Handicappped Act:	
Part B	Allocated on the basis of the number of children ages 3 through 21 in each State compared to a similar population for all States, with no State's allotment being less than $200,000.
Elementary and Secondary Education Act:	
Public Law 89-313 amendment to title I for institutionalized children	Allpcated on the basis of one-half the State's average public school per pupil cost or one-half the national average per pupil cost, whichever is greater, times the average daily attendance of handicapped individuals in State-supported or operated schools.
Title III	Allocated on the basis of he number of children ages 5 through 17 in each State compared to a similar population for all States and each State's total population compared to

	the Nation's population. Eighty-five percent of the funds are administered by the States and 15 percent by the Commissioner of Education. Both the States and the Commissioner must not expend less than 15 percent of the funds on the handicapped.
Vocational Education Act: Part B	Allocated on the basis of a weighted formula of per capita income (inverse relationship) and population of various age ranges between 15 and 65 in each State compared to a similar population for all States. Each State must match the Federal funds with State funds on a 50-50 basis. The State must expend at least 10 percent of the Federal portion for the handicapped.
Rehabilitation Act of 1973: Title I, part B	Allocated on the basis of each State's population and per capita income compared to the Nation's population and per capita income. Each State must match Federal funds with State funds amounting to at least 20 percent of the total.

The formula method of allocating funds has not succeeded in matching funds to unmet needs among the States. Our analysis of fiscal year 1972 funds for the handicapped provided under titles I and III of the Elementary and Secondary Education Act, the Education of the Handicapped

Act, and the Vocational Education Act showed a number of instances when a State's ranking in terms of unserved handicapped individuals differed from the amount of Federal funds received. One State ranked 9th in the number of unserved handicapped individuals and 34th in the amount of Federal funds received. Another State ranked 29th in the number of unserved handicapped individuals and 9th in the amount of Federal funds received. Estimates of numbers of individuals served by each State are not considered exact; however, we have cited available data provided to OE by State educational agencies which we believe to be suitable for demonstrating a general situation. See map on the following page.

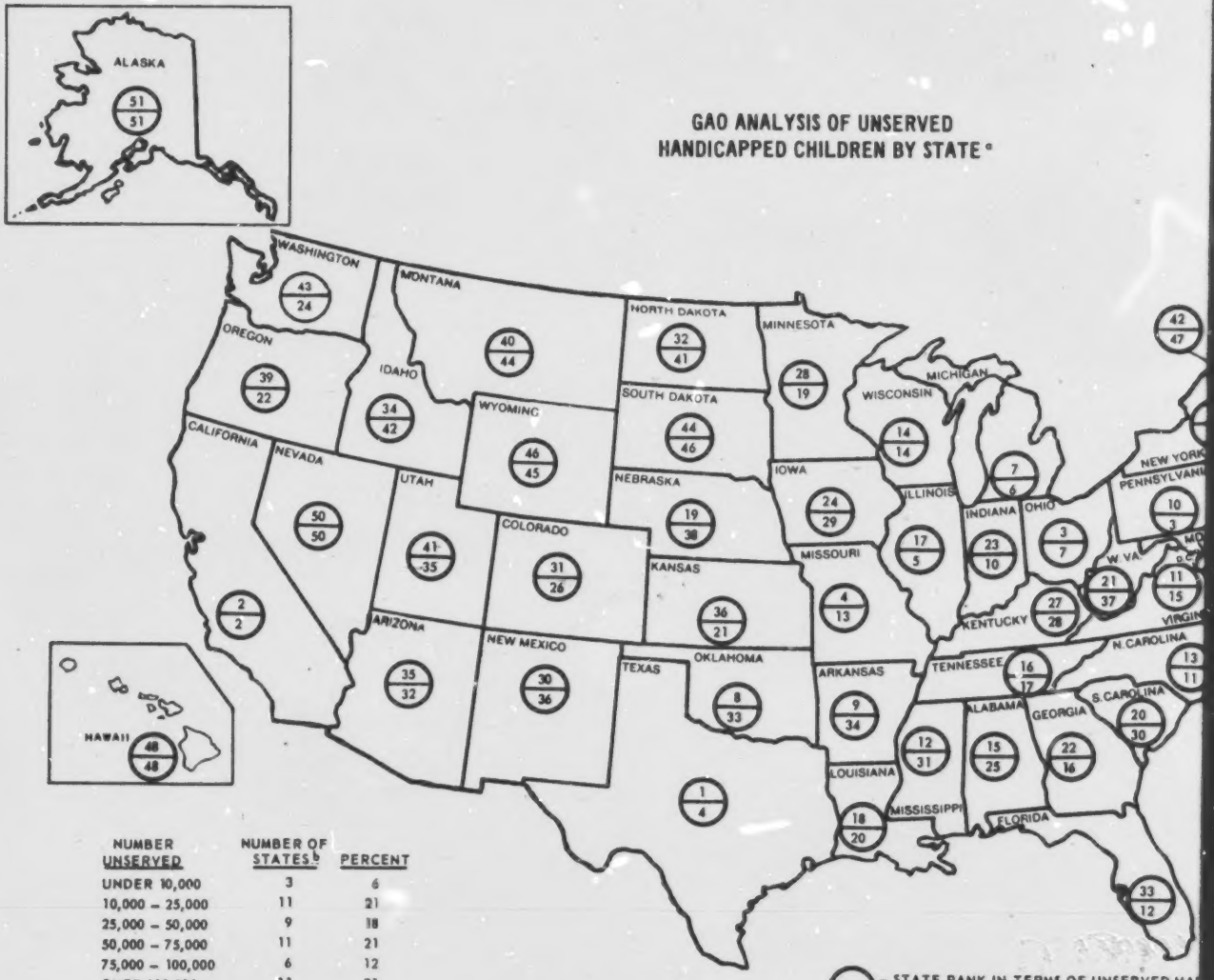
The formula method for allocating resources to the States gives Federal agencies little control over how the funds are spent. Federal agencies may only make suggestions but States are responsible for deciding how to target the moneys to meet program objectives.

Although some Federal agencies encourage States to assume the funding of Federal projects through State and local funds, statutory formulas provide no incentive for States to do so. States receive formula allocations each year based on factors which do not consider the State's success or failure in generating additional State efforts.

Formulas which allocate funds on the basis of population and/or per capita income do not consider variations in State needs due to differing incidence rates of various types of handicaps, differing State program priorities, differing educational costs for programs aimed at specific clientele, or the willingness of State and local school districts to provide funds. Because of these differences, population and per capita income may not always accurately reflect a true index of need.

Existing formulas tend to allocate funds on the basis of population age ranges which may or may not relate to the target population that a State intends to serve under a particular program. Under part B of the Education of the Handicapped Act, a State receives an allocation based on a population aged 3 through 21. Thirty-two States receiving funds under the program have no mandatory legislation to

GAO ANALYSIS OF UNSERVED HANDICAPPED CHILDREN BY STATE[a]



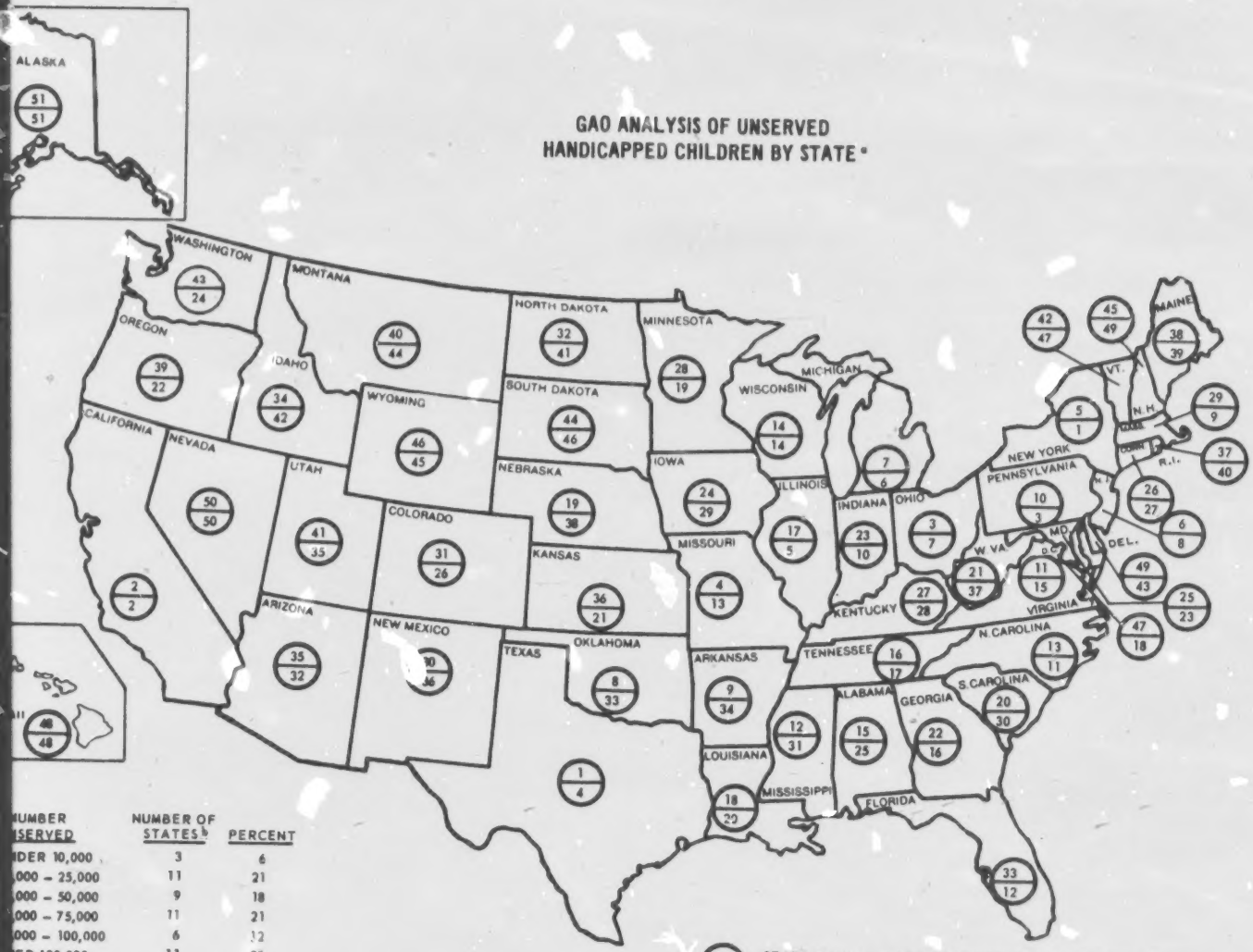
NUMBER UNSERVED	NUMBER OF STATES[b]	PERCENT
UNDER 10,000	3	6
10,000 – 25,000	11	21
25,000 – 50,000	9	18
50,000 – 75,000	11	21
75,000 – 100,000	6	12
OVER 100,000	11	21

(– STATE RANK IN TERMS OF UNSERVED HA
– STATE RANK IN TERMS OF FEDERAL FUN
(MOST – 1 51 – LEAST)

[a] Figures are based on fiscal year 1972 OE data and do not include funds alloted for Federal deaf-blind centers, instructional materials centers, and media service and caption film centers.

[b] Includes District of Columbia.

GAO ANALYSIS OF UNSERVED HANDICAPPED CHILDREN BY STATE *



NUMBER UNSERVED	NUMBER OF STATES[b]	PERCENT
UNDER 10,000	3	6
10,000 – 25,000	11	21
25,000 – 50,000	9	18
50,000 – 75,000	11	21
75,000 – 100,000	6	12
OVER 100,000	11	21

– STATE RANK IN TERMS OF UNSERVED HANDICAPPED
– STATE RANK IN TERMS OF FEDERAL FUNDS RECEIVED
(MOST – 1 51 – LEAST)

* are based on fiscal year 1972 OE data and do not include ated for Federal deaf-blind centers, instructional materials and media service and caption film centers.

[b] District of Columbia.

serve all handicapped individuals aged 3 through 21 and consequently may be receiving funds for children they do not serve. On the other hand, nine States participating in the program provide services to the handicapped from birth through age 21 and therefore serve some children (under age 3) for which they receive no allocation.

The allocation formula for the program for institutionalized children assumes that the cost for education services in various types of institutions is constant. A 1970 OE-financed study showed, however, that cost factors of residential programs for the deaf, blind, neurologically impaired, and severely emotionally disturbed varied considerably. Further, the formula allocates funds to institutions on the basis of their average daily attendance. However, under HEW regulations for computing average daily attendance, the severely handicapped are often counted as only half-day students because they cannot tolerate the required hours of instruction needed for them to be counted as full-time students. Therefore, it appears that institutions are not equitably compensated for providing services to the severely handicapped.

Allocation of discretionary funds

Discretionary funds account for a significant portion of the funds appropriated to the Bureau of Education for the Handicapped. Such funds are granted to State and local educational agencies, universities, and other organizations on the basis of evaluations of individual project proposals without being bound by elements of a formula. This allows Federal agencies considerable flexibility in attempting to meet specified objectives. Although we did not evaluate the merits of discretionary projects in meeting specific objectives, we did review the methods used to allocate the funds and noted some inequities.

Allocations of discretionary funds tend to favor existing programs. Bureau officials told us that, once an institution of higher learning receives a training program assistance grant, it generally receives continued support thereafter. Likewise, Federal regional education centers continued to receive grant support year after year even though the services provided had been limited to small geographical areas and the needs of other areas had not been met. Consequently, other institutions wishing to initiate a

special education program may not be assisted because of lack of funds.

Bureau officials told us that continual renewal of training program assistance grants was intended. They said increased financial commitments were required of these institutions and that it would be counter productive to stop funding strong established training programs in these institutions in order to begin new programs in other institutions relying heavily on Federal funding.

The Bureau's discretionary research funds have not been allocated on the basis of assessment of what needs to be developed, but rather primarily on the basis of unsolicited proposals. Bureau officials told us that they had not systematically solicited opinions from the educational community on what needs to be developed nor had they established priorities for research needs. As a result, the Bureau has no assurance that research funds are effectively channeled into areas of highest need.

Bureau officials took the position that all their research projects support one of the five national Bureau objectives. We noted, however, that more than 50 percent of the projects funded with 1973 moneys were shown as supporting the objective that all children receive appropriate educational services by 1980. In our opinion, the wording of this objective makes it a catchall category and almost any project could meet the definition. Bureau officials said that beginning in fiscal year 1975, OE is requiring competitive solicitations for most contract research funds. The Bureau, in implementing this administrative change, is holding a series of national conferences on identification of special education research issues.

Projects producing catalytic effect not identified

Projects designed to maximize the use of Federal funds as a catalyst have not been identified in planning for national allocation of program funds. OE has emphasized the concept of catalytic effect--funding programs designed to stimulate activity and financial support for special education by State and local agencies. However, a 1974 OE-financed study stated that funds provided under part B of the Education of the Handicapped Act were used largely to fund supportive services on a continuing basis in a handful

of the Nation's school districts. They had not been used to any great extent to initiate or expand basic services to the handicapped. The study concluded that these funds had not stimulated additional State and local financing for special education.

Bureau of Education for the Handicapped officials told us that some success had been realized by using discretionary funds to stimulate additional programs. However, OE has not determined what types of projects are most successful in producing the desired results. Without this knowledge, OE cannot make informed decisions as to where discretionary funds should be targeted or provide adequate guidance to States to use formula grant funds more effectively.

STATE AGENCIES' DISTRIBUTION OF PROGRAM FUNDS

Without specific guidance from Federal agencies for distributing Federal funds, States have used various methods and criteria. We observed that the States distributed funds to the local levels on the basis of set formulas or on a first-come-first-served basis rather than on a system of priority needs. Because there has been little effort to identify needs as a basis for allocating program funds, there is no assurance that funds have been targeted to areas of highest need or to areas maximizing program impact.

Inadequate guidance and direction

Most Bureau of Education for the Handicapped technical assistance to States has been limited to helping them develop State plans to comply with Federal statutory requirements. The Bureau's guidance has not been specifically directed to assist States in developing methods and procedures for allocating resources to meet State needs. Rather, it has looked upon this as a State responsibility.

Bureau officials said almost all contact with State educational agency staffs has been either on an informal basis or through memorandums and administrative publications. These officials acknowledged that States lacked a sound understanding of Bureau objectives and their relationship to State needs. Bureau administrative publications generally have not explained how best to

allocate grant funds to achieve objectives or how a State might best meet its needs.

State distribution favored urban areas and larger school districts. A 1974 OE-financed study indicated that funds for the handicapped had gone to the school districts already receiving other Federal funds. Although our review did not include general Federal educational assistance programs, we did observe some tendency to concentrate handicapped funds.

Multiyear funding practices also constrained development of new programs. In one State about one-fourth of the part B Education of the Handicapped Act funds were directed to one project over the past several years, although there were no expectations of State and local funding for the project. In some cases funds were used for nonhandicapped individuals.

Assistance to States for vocational education and vocational rehabilitation has been provided by HEW regional personnel. Regional officials told us they received little guidance or direction from headquarters. They said that they generally provided guidance only to help States develop plans to comply with statutory requirements and none on distribution of funds to meet program objectives or identification of type of programs to fund.

Variety of methods used

In the States we visited Federal funds generally were made available to local schools, institutions, or private facilities in one of four ways (1) first come, first served, (2) competitive project selection, (3) set formula, or (4) State direction. A lack of uniformity existed among the States in the way they distributed specific program funds.

--In some States vocational education program resources were distributed on a first-come-first-served basis and others employed set formulas.

--In some States funds provided under part B of the Education of the Handicapped Act were largely distributed on a noncompetitive basis for a few large grants which the State educational agencies wanted to fund. Another State used a competitive

rating system, but projects with the highest ratings were not necessarily funded.

--Under title III of the Elementary and Secondary Education Act, project proposals generally were ranked according to specific criteria and project selection was competitive.

--Under the program for the institutionalized handicapped, some States distributed funds to institutions exclusively on average daily student attendance regardless of individual needs. Others distributed funds by judgments of what programs were needed and on past funding levels.

CONCLUSIONS

Funds for educating and training the handicapped are not allocated on the basis of priorities for meeting their needs. As a result, Federal agencies lack assurance that (1) the impact of Federal programs is maximized, (2) funds are targeted to program objectives, (3) highest priority needs are met, or (4) handicapped children are provided an equal opportunity for educational assistance.

About 80 percent of Federal education and training funds are allocated to States by fixed formulas. States receive only general guidance from Federal agencies on how these funds should be spent and there is no assurance that the funds are distributed in proportion to the greatest needs. Discretionary funds sometimes have been allocated without knowledge of specific needs and have tended to favor institutions already having programs. Similarly, State agencies have distributed funds to the local levels by set formulas or on a first-come-first-served basis.

Although Federal funds are intended for use as a catalyst to initiate and expand State and local special education programs, those projects that best produce catalytic effects have not been identified. Accordingly, Federal agencies are not in a position to channel funds to those areas achieving the greatest impact.

RECOMMENDATIONS TO THE SECRETARY OF HEW

The Secretary should

--develop a system for assisting the States in identifying and establishing priorities for the full range of comprehensive educational needs of the handicapped;

--require that State applications for grant funds specify how the funds will be used in meeting the identified needs;

--identify the areas of greatest need, such as research, demonstration, and teacher training, to maximize the impact of Federal discretionary funds; and

--identify the projects which have produced the best catalytic effects and direct funds into these areas.

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HEW concurred in our recommendations and made the following statements about them:

--A more formalized system for assisting the States in identifying and establishing priorities for the educational needs of the handicapped would be more effective; therefore, HEW has established a working group composed of staff members of various concerned components within the Department, the National Center for Educational Statistics, and selected States.

--Information on how grant funds will be used in meeting identified needs is already required in a report that States must submit each year. Because the quality of this information could be improved, HEW is considering how this can be done.

--Identification of areas of greatest need in research, demonstration, and teacher training are ongoing. HEW's operational plan for research planning includes a contract for national conferences with the resultant updating of priority areas. The Bureau of Education for the Handicapped has convened meetings in one-third of the States and the remaining States will be covered

by the spring of 1975. These meetings will result in the formation of intra-State plans for special education representatives from (1) State departments of special education, (2) colleges and universities, (3) boards of higher education, (4) State legislators, and (5) parent groups. Inter-State efforts also will be coordinated by the Bureau to insure an overall national program.

--Although the Bureau of Education for the Handicapped has been identifying, informally on an individual basis, projects which have provided the best catalytic effect and directing funds into these areas, HEW agrees that the process should be formalized. With additional staff recently added, the Bureau will be able to provide increased technical assistance to the States to assist them in their discretionary responsibility to distribute these funds. HEW believes that considering such achievements as the increased enrollments of children in special education classes, the addition of thousands of more specialized teachers, and newer and stronger State legislation, funds for the education of the handicapped have been well spent.

RECOMMENDATIONS TO THE CONGRESS

The Education Amendments of 1974 (Public Law 93-380) amended part B of the Education of the Handicapped Act to require that starting with fiscal year 1976, funds be made available to States only after they submit an amendment to the required State plan which shows in detail the policies and procedures which the State will undertake in order to insure the education of all handicapped children and insure that all handicapped children in the State in need of special education are identified and evaluated. The amended State plan must also establish a detailed timetable for providing full educational opportunity for all handicapped children. The above requirement would not take effect, however, in any year in which the aggregate amounts allotted to the States under part B was less than $45 million.

The Congress should consider:

--Making similar adjustments to titles I and III of the Elementary and Secondary Education Act, to part B of

the Vocational Education Act, and to title I, part B of the Rehabilitation Act of 1973, which earmark funds for the handicapped.

--Eliminating those formula allocation factors in the legislation which may result in unequal opportunities available to the handicapped. Such factors include population and per capita income which may not always accurately reflect a true index of need and age ranges which are inconsistent with the intended target population.

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HEW agreed or the importance of having needs assessments but thought that withholding funds to achieve this would be too harsh a penalty, possibly hurting those people it ultimately intends to help. Instead, HEW believes the Congress should consider building into the law positive incentives for States to adopt such assessments. HEW's comments, however, were made before enactment of the Education Amendments of 1974, which amended part B of the Education of the Handicapped Act to require that funds be made available to States only after the States have established the necessary policies and procedures to make a comprehensive needs assessment.

HEW, on commenting on our recommendation to eliminate those formula allocation factors in the legislation which may result in unequal opportunities available to the handicapped, suggested that modifications of the State allocation formula under the Rehabilitation Act of 1973 should be deferred until the findings of a Rehabilitation Services Administration study on this formula are available. We believe that the study data will be useful to the Congress in considering our recommendation.

CHAPTER 5

IMPROVED EVALUATION NEEDED FOR MORE EFFECTIVE PROGRAM MANAGEMENT

Evaluation systems of the Federal, State, and local agencies responsible for administering federally supported education programs for the handicapped have not provided information essential for effective program management. Annual program effectiveness evaluations for some programs were not made, and individual project evaluations, if made, were of limited use because they were based primarily on opinions of program personnel. Although such opinions are useful, we believe that they should be used in conjunction with data obtained through objective means.

Because program managers lacked program and project evaluations, they were not in a position to determine whether (1) programs and projects for the handicapped were effective in meeting objectives or were in need of redirection, and (2) congressional intent had been met.

NEED FOR PROGRAM EVALUATIONS

OE guidelines state that evaluation of educational programs has become one of the most critical concerns in education and that nowhere is the dilemma greater than in special education. According to the guidelines, evaluation ideally should provide data needed to form a course of action, showing where to place children, how to distribute resources in priority order, and whether programs are helping reach goals.

The guidelines state that project results should be evaluated to determine whether they are favorable enough to (1) warrant continuing a new approach, (2) acquaint other schools with results, and (3) serve as feedback for gaining greater effectiveness from a similar effort. Thus, the evaluation report should provide a clear statement of what happened (when, where to whom, and with what effect).

At a 1972 symposium on Federal and State vocational rehabilitation programs, participants concluded that program evaluations were essential for the following purposes:

--Locating gaps in service.

--Determining program needs.

--Establishing goals and objectives.

--Isolating success and failure factors in programs and determining the need for changing and improving the makeup of programs.

--Assessing and evaluating the agencies' current operations and determining if goals are being achieved.

--Determining quality of agency performance.

INADEQUATE EVALUATION AND MONITORING SYSTEMS

The monitoring and evaluation systems were too limited to provide program management with data necessary to measure program success. Weaknesses such as the following precluded effective evaluation:

--State agencies were required to make program and project evaluations but often they were not submitted to the Federal agencies responsible for administering them. As a result, feedback to the agencies was limited.

--Rather than providing information on quality or degree of success, data collected on programs and projects centered on statistics, such as numbers of children receiving educational services and dollars spent. Little information on program results was provided.

--Program descriptions provided by States justifying Federal funds did not adequately describe the programs undertaken.

Evaluations of State and local projects

State and local agency evaluations of Federal projects were often inadequate for reasons such as the following:

--Evaluations did not address the project objectives and therefore did not show whether the project met the objectives.

--Evaluations were primarily based on teachers' subjective observations rather than objective measures.

--Project objectives were stated in input (resources) terms, rather than output (results) terms. Objectives were not stated in terms of the types of changes sought in the students and the degree of change expected as a result of each major activity.

--Data accumulated did not provide a suitable base for evaluation.

--State officials were not reviewing local project reports.

Project evaluations often were not submitted to the Federal agencies and, those that were, were not carefully studied. Federal agency officials told us that this occurs because of the lack of adequate staff to monitor State grant programs. For example, the Bureau of Education for the Handicapped has less than one specialist per HEW region for administering such programs. One local project director told us that no comments had ever been received from Bureau officials on any of the evaluations prepared by the project director's staff.

Evaluation of training grant projects

The Education of the Handicapped Act authorizes training grants to universities and other institutions. A Bureau official told us that limited staffing had allowed site visits to only 16 out of about 475 ongoing projects in fiscal year 1973. Before fiscal year 1973 most of these grantees were required only to submit final financial reports which did not include program evaluation data. Starting in fiscal year 1973 the Bureau required institutions to submit final project reports that contain evaluation data.

At the time of our review, no decision had been made whether the final project reports would be used for aggregating data for overall program evaluation. Bureau officials told us that the Bureau funded a special multiyear project in fiscal year 1972 designed to develop evaluation procedures for training grants.

Consultants' evaluations

Some efforts have been made to evaluate the Federal programs for the handicapped through the use of consultants. These studies were one-time efforts rather than a continuous system to monitor progress of the Federal programs.

EFFECT ON PROGRAM MANAGEMENT

Because evaluations of special programs and projects for the handicapped have not been adequate, we believe that program managers lack essential data on which to base management decisions and therefore cannot

--detect ineffective programs and projects,

--redirect existing programs or plan for more effective programs, or

--synopsize and disseminate the results of effective programs and projects to benefit other educators and administrators.

During our visits to the States we observed the following examples of programs and projects needing evaluation of results for decisionmaking:

--A State official said the small grants awarded by the State for development of innovative programs for handicapped children appeared to be just as effective as larger grants it had awarded; however, the State had not evaluated any of its grants for effectiveness. Accordingly, State officials could not make informed decisions for program revision or replacement or disseminate information on program effectiveness.

--One State-operated school had been receiving Federal assistance for 10 years. The school received about $100,000 in Federal funds for the 1972-73 school year but had an average pupil enrollment of about 20. Despite the long history of Federal support and a cost-per-pupil factor much greater than other State institutions, the effectiveness of this school's program had not been determined.

--In another State, Federal vocational education funds were used for an upholstery training project to prepare handicapped individuals for placement in the labor market. Project officials told us that the furniture-manufacturing plant in the community had gone out of business and that they did not know if jobs existed in the community for individuals with upholstery skills. Also the severity of most participants' handicaps generally precluded self-employment. We believe that evaluations in terms of placement success would have shown the need for modification of this project.

--Vocational rehabilitation programs did not provide for continuing followup to evaluate the long-range effectiveness of programs. As a result, decreases in the economic status of rehabilitated persons may go undetected and needed additional services may not be provided. Our report on "Effectiveness of Vocational Rehabilitation in Helping the Handicapped" stated that, in 700 cases randomly selected and reviewed, 15 percent of the handicapped persons were in need of additional rehabilitation. Only half of the rehabilitated handicapped sustained an increase in income and the percentage of handicapped persons on welfare did not decrease.

Determinations as to proper courses of action and the extent to which programs have successfully met the education and career training needs of the handicapped can be determined only through careful evaluation of data concerning the results of project activities. The Bureau of Education for the Handicapped has reported periodically that hundreds of thousands of handicapped children have been served under the State grant programs. However, a 1974 OE-financed study showed that the terms "served" and "unserved" were ambiguous because there was no information available about the appropriateness, quality, continuity, adequacy, or comprehensiveness of the service provided. A 1973 HEW-financed study indicated that detailed data on effectiveness was generally not available at the State level for special education programs.

The above studies concluded that poor, incomplete, or nonexistent data has largely contributed to low quality planning and evaluation and has hampered management improvements. One study stated that limited data restricted the review process of the study.

ADEQUATE GUIDANCE NEEDED FOR EVALUATING AND MONITORING PROGRAMS

Generally, Federal agency guidelines do not describe suitable procedures for State and local agencies to evaluate the Federal programs. The Federal agencies also do not use procedures designed to followup and insure that the State and local agencies monitor and evaluate their programs as required.

Most Federal agency guidelines do not require that State and local agencies submit qualitative data. State and local officials said that, because of the lack of guidance, they did not know what was expected in evaluation reports. One State official said evaluations could not be made without access to adequate data but that State policy prohibited the collection of data from local districts other than that specified by Federal requirements.

Although Federal guidelines require that objectives be stated in measurable terms, they often were not because of unavailable or inadequate achievement standards or criteria. State and local officials and teachers told us that they did not know what should be considered success or failure when teaching handicapped individuals. As a result, project objectives were often vaguely stated and not expressed in quantifiable terms. One project's objectives were stated in such unspecific terms as

--development of oral communication,

--growth in social development,

--stimulation of intellectual development, and

--development of a positive self-concept.

The project application contained no criteria indicating to what extent the objectives would be achieved through project activities.

Some applications contained objectives that reflected inputs into the educational process rather than the desired outputs. Project objectives were expressed in such terms as

--to provide needed individual attention through small class size and specially trained teachers, and

--to provide the necessary special methods and materials that these children need.

Several State agencies we visited had no systematic followup procedures to determine (1) if prior years' programs and projects continued after Federal funding was terminated and (2) the long-range effect of the project methods used and the need for further services. Monitoring local project activities generally was left to the discretion of each State agency. Several State educational agency officials said that staff shortages limited their ability to effectively monitor local project activities.

A Bureau of Education for the Handicapped official told us that the Bureau cannot hold the States accountable for program results because they do not have the staff to adequately evaluate the thousands of projects. He said the Bureau's efforts to strengthen the technical ability of local and State evaluators has not solved this problem.

CONCLUSIONS

Evaluation of federally assisted special education, vocational education, and vocational rehabilitation programs has not been adequate to provide State and Federal program managers with an appropriate base for (1) insuring that funds have been effectively used, (2) making management decisions on program conduct, or (3) determining whether legislative requirements have been met. The Federal agencies have not developed systems for accumulating data essential to the evaluation process thereby hampering the conduct of needed evaluations by responsible agencies or consultants.

Evaluation and monitoring have, in many cases, been left to State and other agencies without adequate guidance and followup procedures to help insure that suitable evaluations are made.

RECOMMENDATIONS TO THE SECRETARY OF HEW

The Secretary should:

--Establish effective program and project monitoring and evaluation systems wherein program results are measured against predetermined objectives.

--Provide guidance to State and local agencies on the methods of evaluating special education programs, including the establishment of objectives and goals, the collection of appropriate data, measurements and comparisons, and the assessment of results against expected outcomes.

--Insure that suitable evaluations of federally funded projects are made by State and other agencies by establishing appropriate followup and monitoring procedures.

--Establish procedures to redirect programs, when appropriate, on the basis of effectiveness evaluations.

- - - -

HEW agreed with the intent of our recommendations, but made the following statements about them:

--There are extreme difficulties in predetermining measurable objectives in many social programs including those discussed in this report. Although reasonably effective program and project monitoring evaluation systems already exist (in those special education programs which are directly federally funded), major efforts are needed, and are underway, to establish more usable and useful measurement techniques.

--A similar situation exists with respect to the thousands of projects which are approved and administered by the States. Guidance to State and local agencies on the methods of evaluating special education programs would be helpful and to the extent practicable will be provided. Under currently approved staffing patterns, for example, the Bureau of Education for the Handicapped will be adding professional

personnel as "State plan officials", with at least one such official per HEW region to assist in this effort. Even now, the Bureau has been conducting regional planning and evaluation workshops for State officials with positive effects upon State behaviors in these areas.

--Although redirection of directly federally funded education programs for the handicapped now occurs, the development of the States' evaluation capacity should increase their ability to redirect program effects.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

AUG 15 1974

Mr. Gregory J. Ahart
Director, Manpower and
Welfare Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary has asked that I respond to your request for our comments on your draft report to the Congress entitled, "Observations on Federal Programs for Education of the Handicapped". Our comments are enclosed.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

John D. Young
Assistant Secretary, Comptroller

Enclosure

APPENDIX I

COMMENTS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE ON THE COMPTROLLER GENERAL'S REPORT TO THE CONGRESS ENTITLED, "OBSERVATIONS ON FEDERAL PROGRAMS FOR EDUCATION OF THE HANDICAPPED"

GAO RECOMMENDATION

The Secretary of HEW should implement procedures for systematic planning among the organizations responsible for the education and training of the handicapped. A comprehensive plan for educating and training the handicapped should be developed and the responsibility for carrying out each element of the plan should be clearly defined.

To facilitate the planning process, HEW should provide for a uniform and systematic means for collecting data about the handicapped including (1) numbers of handicapped by type, location, and severity, (2) types of services provided, and (3) results of the programs.

DEPARTMENT COMMENT

We concur. In fact, a new Office for the Handicapped has been created within the Department to deal more effectively with the special needs of the Nation's handicapped citizens. Its creation was authorized by the Rehabilitation Act of 1973. This office will:

-- prepare a long-range projection for the provision of comprehensive services to the handicapped;

-- continually analyze the operations of programs and evaluate their effectiveness;

-- encourage coordination and cooperative planning among programs serving the handicapped;

-- develop ways to promote the utilization of research; and

-- provide for a central clearinghouse for information and resources available to handicapped people.

More specifically, with reference to planning, data collection and evaluation; the Office for the Handicapped will develop a plan by March 1975 which will address the problem of uniform collection of data. Data collection efforts are being conducted by the Bureau of Education for the Handicapped, the National Center for Educational Statistics, and the Assistant Secretary for Planning and Evaluation.

At the State level the Rehabilitation Act of 1973 specifically requires State vocational rehabilitation agencies to plan and conduct studies on the needs of the States's disabled; and establish an order or priority for the provision of services emphasizing the highest priority in serving the severely disabled. States are required to conduct annually an evaluation of their program based on general standards as prescribed by the Department. Great emphasis throughout the new Act is on evaluation of services and program effectiveness. Regulations and standards are now being developed by the Department for use by States to plan and evaluate their programs.

Currently much of the data required is being obtained by State VR agencies on individuals eligible for services. This data includes age, disability, services provided, costs, highest grade of schooling attained, source of referral, rehabilitation outcomes in placement, and so on.

GAO RECOMMENDATION

The Secretary of HEW should

-- develop a system for assisting the States to identify and establish priorities for the educational needs of the handicapped.

DEPARTMENT COMMENT

We agree that a more formalized system would be more effective, and have established a working group composed of staff members of various concerned components within the Department, the National Center for Educational Statistics and selected States for this purpose. In this connection, however, we must reiterate a point touched on by the report -- by law, Federal agencies cannot require States to target Federal funds -- they may spend the funds according to their preference with only general guidance from Federal agencies as to where they should be targeted.

GAO RECOMMENDATION

The Secretary of HEW should

-- require that State applications for grant funds specify how the funds will be used in meeting the identified needs.

DEPARTMENT COMMENT

This information is already required in a report that a State must submit each year. Nevertheless, we agree with GAO that the quality of this information could be improved, and we are now considering specifically how this can be done within the limitations of the legislation discussed above. We would like to point out that in this annual report (Projected Activities Form) States now indicate their priorities and specify broad goals and strategies to be followed. Specific projects which are cited for funding are also included. They are viewed as examples of these directions, rather than rigid intentions. But, as mentioned above, we are looking into this to see what improvements are possible.

GAO RECOMMENDATION

The Secretary of HEW should

-- identify the areas of greatest need in such areas as research and demonstration, and teacher training to maximize the impact of Federal discretionary funds.

DEPARTMENT COMMENT

We concur. Identification of areas of greatest need in research and in demonstration, and teacher training are ongoing. Our operational plan for research planning includes a contract for national conferences with the resultant updating of priority areas. Our Bureau of Education for the Handicapped has convened meetings in one-third of the States earlier this year. The remaining two-thirds will be covered by next Spring. These will result in the formulation of intra-State plans for special education personnel representatives from (i) State departments of special education; (ii) colleges and universities; (iii) boards of higher education; (iv) state legislators; and (v) parent groups. Inter-State efforts will also be coordinated by the Bureau of Education for the Handicapped to assure an overall national program.

GAO RECOMMENDATION

The Secretary of HEW should

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-- identify the projects which have provided the best catalytic effect and direct funds into these areas.

DEPARTMENT COMMENT

We concur. The Bureau of Education for the Handicapped has been doing this informally on a project-by-project basis. Nevertheless, we agree that the process should be formalized. With additional staff recently added, the Bureau will be able to provide increased technical assistance to the State to assist them in their discretionary responsibility to distribute these funds. We would like to point out that while States have appropriately used Federal funds on a continuing multi-year basis to support programs according to State priorities, they have also deliberately adopted a "catalytic" strategy -- in many instances at the Bureau's urging. It might be added that "catalytic" used in the sense of this program is much broader in scope than might first be gathered. In the final analysis, considering such achievements as the increased enrollments of children in special education classes; the addition of thousands of more specialized teachers, newer and stronger State legislation; these funds have been well spent.

GAO RECOMMENDATION

The Secretary of HEW should

-- establish effective program and project monitoring and evaluation systems wherein the results of programs are measured against predetermined program objectives,

-- provide guidance to State and local agencies on the methods of evaluating special education programs, including the establishment of objectives and goals, the collection of appropriate data, measurements and comparisions, and the assessment of results against expected outcomes,

-- assure that evaluations are made by establishing appropriate follow-up and monitoring procedures, and

-- establish procedures to redirect programs, where appropriate, on the basis of effectiveness evaluations.

DEPARTMENT COMMENT

While we agree with the intent of the recommendations, their implementation will be far more difficult than the draft report suggests. There are extreme difficulties in predetermining measurable objectives in many social programs including these. While reasonably effective program and project monitoring evaluation systems already exist -- in those special education programs which are directly, Federally-funded (i.e. discretionary) -- major efforts are needed, and are underway, to establish more usable and useful measurement techniques.

A somewhat similar situation exists with respect to the many thousands of projects which are approved and administered by the States. We concur that guidance of the nature suggested would be helpful; and to the extent practical we will provide it. Under currently approved staffing patterns, for example, the Bureau of Education for the Handicapped will be adding professional personnel as "State Plan Officials"; with at least one such official per region to assist in this effort. Even now, this office has been conducting regional planning and evaluation workshops for State officials with positive effects upon State behaviors in these areas. But, here again, it must be stressed that it is primarily the responsibility of the States to monitor and evaluate these programs.

[See GAO note 1]

Redirection of directly, Federally-funded education for the handicapped programs now occurs. The development of the evaluation capacity in States should lead to increased capability in redirecting their own programmatic effects of the basis of effectiveness. Federal programs through administrative and technical assistance practices aims for this end.

[See GAO note 2]

GAO notes: 1. Deleted comments pertain to matters which were presented in the draft report but have been revised in this final report.

2. The material on the remaining pages was deleted because it related to general matters which were considered or incorporated into the final report.

APPENDIX II

PRINCIPAL OFFICIALS OF THE

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

RESPONSIBLE FOR ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Caspar W. Weinberger	Feb. 1973	Present
Frank C. Carlucci (acting)	Jan. 1973	Feb. 1973
Elliot L. Richardson	June 1970	Jan. 1973
ASSISTANT SECRETARY FOR EDUCATION:		
Virginia Y. Trotter	June 1974	Present
Charles B. Saunders, Jr. (acting)	Nov. 1973	June 1974
Sidney R. Marland, Jr.	Nov. 1972	Nov. 1973
COMMISSIONER OF EDUCATION:		
Terrell H. Bell	June 1974	Present
John R. Ottina	Aug. 1973	June 1974
John R. Ottina (acting)	Nov. 1972	Aug. 1973
Sidney P. Marland, Jr.	Dec. 1970	Nov. 1972
Terrell H. Bell (acting)	June 1970	Dec. 1970
ADMINISTRATOR, SOCIAL AND REHABILITATION SERVICE:		
James S. Dwight, Jr.	June 1973	Present
Francis D. DeGeorge (acting)	May 1973	June 1973
Philip J. Rutledge (acting)	Feb. 1973	May 1973
John D. Twiname	Mar. 1970	Feb. 1973
COMMISSIONER, REHABILITATION SERVICES ADMINISTRATION:		
James R. Burress (acting)	Jan. 1974	Present
Corbett Reedy (acting)	Jan. 1973	Jan. 1974
Edward Newman	Oct. 1969	Jan. 1973